



ADAPTATION FUND

AFB/EFC.30/11
4 October 2022

Adaptation Fund Board
Ethics and Finance Committee
Thirtieth Meeting
Bonn, Germany, 11-12 October 2022

Agenda Item: 5 c)

OPTIONS FOR THE OVERALL EVALUATION OF THE FUND

TECHNICAL EVALUATION REFERENCE GROUP OF THE ADAPTATION FUND (AF-TERG)

Introduction

1. This document contains a summary of the scoping conducted by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) for undertaking a second Overall Evaluation of the Adaptation Fund (hereafter ‘the Fund’) and its activities during the period 2018 to 2023. The first overall performance evaluation was conducted between 2014 and 2018¹, prior to the establishment of the AF-TERG, and included activities from the beginning of the Fund until 2017.

2. This paper presents three options and elements for the scope and approach for the second Overall Evaluation to be discussed by the Ethics and Finance Committee (EFC) at its thirtieth meeting and for approval by the Adaptation Fund Board (hereafter ‘the Board’) at its thirty-ninth meeting in October 2022. The AF-TERG seeks guidance from the EFC and a Board decision on how to proceed.

3. The three options consider the scope of the 2018 Overall Evaluation of the Adaptation Fund, the follow-up from the Mid-Term Review (MTR) of the Medium Term Strategy (MTS) (2020), the current three-year work programme of the AF-TERG (FY20-FY23)² and FY23-24 update (2022), the implications of the Evaluation Policy (EP) of the Adaptation Fund (2022), and analysis of evidence and gaps emerging from the climate change adaptation (CCA) landscape. These options also consider existing practices with similar overall evaluations from relevant peer organizations.

4. The demand for adaptation action is more urgent and greater than ever. The Fund remains a unique player in the CCA space for its specific focus on adaptation, and the synergies with other Funds are an area of significant interest from stakeholders. An overall evaluation of the experience of the Fund will offer necessary evaluative evidence to many of the Fund’s stakeholders for decision making in response to the urgent need to address the impacts of climate change. The three options have therefore taken into consideration the evolving context, as well as various touchpoints to which the OP could potentially contribute towards and learn from.

Background

5. The AF-TERG is an independent evaluation advisory function, accountable to the Board, and functionally independent of the Adaptation Fund Board secretariat (hereafter, ‘the AFB secretariat’). It was established to ensure the independent implementation of the Adaptation Fund’s Evaluation Framework. From October 2023 onwards, the AF-TERG will be responsible for the implementation of the new Evaluation Policy (EP) of the Adaptation Fund. The AF-TERG has been operational since 1st July 2019 and is comprised of an independent group of experts, with strategic leadership provided by a Chair, and support by a small Secretariat (hereafter ‘AF-TERG secretariat’). The Board approved the AF-TERG’s three-year work programme in June 2020, and in March 2022 it approved an update to the work programme covering fiscal years 2023 (FY23) and 2024 (FY24).

¹ The evaluation was conducted in two phases: [Phase 1 was a process evaluation](#), [Phase 2 was a performance evaluation](#).

² FY is taken as the 12-month period from 1st July to 30th June

6. As part of these approvals an “Overall Evaluation of the Fund” is to be conducted by the AF-TERG in the near future. The evaluation’s intended purpose is to provide accountability and learning for the Fund by offering a comprehensive assessment of the relevance, effectiveness, efficiency, and impact of the Fund. The Overall Evaluation fits into AF-TERG Workstream 1: Conducting Strategy and Project/Programme Evaluations. According to the AF-TERG Work Programme, the Overall Evaluation of the Adaptation Fund should be informed by studies and thematic evaluations conducted by the Adaptation Fund.

7. The Overall Evaluation was originally planned to be conducted in FY23 but after internal consultations with AF-TERG members and the AFB secretariat it was decided that it would be more effective if it could be initiated in FY23, but that the bulk of work would be conducted in FY24 based upon two main reasons:

- (a) The AF-TERG identified the need for further evaluation work to feed into this evaluation.
- (b) It was considered important to wait for the new MTS to be discussed by the Board, approved and under implementation. The update to the work plan of the AF-TERG (AFB/EFC.29/7) was approved in March 2022 (Decision B.36/31).

8. Pursuant Decision B.36/31 the AF-TERG conducted an initial conceptual study in FY22 to identify potential areas of enquiry for the Overall Evaluation, based upon existing evaluative information and evolving needs of the Fund. In addition, the AF-TERG has launched three thematic evaluations³, undertaken the MTR of the MTS, and completed two ex-post evaluations with two more in the pipeline, all of which will address priority topics to feed into the Overall Evaluation. The AF-TERG also will continue to update the synthesis of final evaluations as project final evaluation reports become available.

Alignment with Fund and AF-TERG past and current evaluations

I. Fund processes and AF-TERG workplan

9. The Overall Evaluation will align with and be informed by the full spectrum of evidence generated by the Fund in general and AF-TERG work programme in particular. Analysis for the Overall Evaluation has provided a framework to determine coverage and prioritize evaluation studies. This includes ongoing and forthcoming thematic studies, post-hoc evaluations, knowledge products and consultations. Specifically, the Overall Evaluation will synthesize and build on the findings and recommendations from the AF-TERG’s thematic evaluations of the experience of the Fund with key issues such as scalability, innovation, accreditation and related readiness which will be completed in FY23, and the findings and lessons generated from the ex-Post Evaluations (FY22-FY23). The Overall Evaluation is also expected to follow the AF-TERG’s Work Principles, the Fund’s Evaluation Policy principles and criteria, as well as the guidance for its implementation that are currently under development.

³ FY 23 Thematic Evaluation on Innovation; FY 23 Thematic Evaluation on Scalability, and FY23 Thematic Evaluation on Accreditation.

10. Knowledge products including Annual Performance Reports (APRs), briefing notes, project performance reports, mid-term evaluation reports and final evaluation reports are a key evidence source for the Overall Evaluation. Other knowledge products prepared by the AFB Secretariat and Implementing Entities (IEs) could also be included since they have generated lessons from the Adaptation Fund portfolio of projects and programmes on youth engagement, gender mainstreaming, transboundary approaches, capacity strengthening of IEs through reaccreditation, project monitoring reports, country exchanges reports, and other readiness and knowledge products will also be taken on board.

II. *The 2014 to 2018 Overall Evaluation of the Adaptation Fund*

11. The Fund's first Overall Evaluation, undertaken before the AF-TERG was established, was conducted in two phases:

- (a) Phase 1 (2015) was a process evaluation focused on assessing the Adaptation Fund's operational performance against the Fund's design and implicit logic. At the time the evaluation was conducted, the Fund had approved US\$318 million worth of funding for 48 projects in the Africa, Asia-Pacific, Latin America, and Eastern Europe regions and had a total of 34 IEs. Most of these projects were under the initial stages of implementation.
- (b) The purpose of Phase 2 (2018) was to evaluate the long-term outcomes, impacts and sustainability of Adaptation Fund interventions, focusing on its portfolio of funded projects to examine and assess progress of the Adaptation Fund portfolio toward financing concrete adaptation projects and programmes in developing countries Parties to the Kyoto Protocol. At the time of phase 2 of the evaluation, 2017-2018, the Fund had approved \$416 million for climate adaptation initiatives in 63 projects and had a total of 27 national implementing entities (NIEs), six regional implementing entities (RIEs), and 13 multilateral implementing entities (MIEs) that had been accredited, and 11 NIEs that were in the reaccreditation process.

12. The Overall Evaluation of the Adaptation Fund (Phase 2) found the Fund to be relevant to the global climate finance architecture and broadly effective and efficient in making progress towards its strategic results framework. It flagged the environment and social policy (ESP) criteria and direct access implementation as areas for attention and identified opportunities to enhance complementarity with other climate funds and finance readiness providers, and to consolidate the lessons and experiences from the portfolio to apply lessons to improve projects and project guidance.

13. The Overall Evaluation was a "key input" for the development of the MTS of the Adaptation Fund. The MTS explicitly references the overall evaluation as a key source of information about the Fund's design and assessment of the key characteristics and strategic competencies that influenced the Fund's effectiveness. Notwithstanding its utility for informing the MTS, the management response to the Overall Evaluation reflects that several of the recommendations were already being addressed through Board approved actions or were not seen to recognize the

operating context of the Fund. Two out of fourteen recommendations⁴ were “endorsed in the management response while the others suggested that the Fund would continue work already ongoing.

III. *Mid-Term Review of the Medium-Term Strategy of the Adaptation Fund*

14. The MTR, commissioned by the AF-TERG in 2021, aimed to assess how well the MTS was guiding the Fund. It focused specifically on the role of the strategy in supporting the Fund’s responsiveness to the authorizing environment (United Nations Framework Convention on Climate Change - UNFCCC) and to country climate adaptation needs. The MTR assessed the strategy’s suitability for guiding the Fund’s governance, management, and operations but does not provide a comprehensive assessment of the Adaptation Fund’s project approval processes, policies, secretariat structure, governance, or impact.

15. The MTR of the MTS suggested implications for a future Overall Evaluation. These include assessing:

- (a) Impact of the fund’s activities beyond climate change adaptation including the contribution and impact of the Fund’s knowledge and learning work
- (b) Structure of the secretariat supports across the Fund’s strategic pillars
- (c) Measurement of key concepts (innovation, adaptation, knowledge)
- (d) Comparative advantage and niche of the Fund
- (e) Trade-offs and implications of the COP26 negotiations for the Fund
- (f) Capacity and resources to support current and future portfolio
- (g) Use of implementation plan for driving performance

16. Overall, the Board and the EFC welcomed the overall positive results of the MTR while acknowledging the relevance of the findings and recommendations saying that the review provided a “good basis for the development of the next MTS.” Overall, in its management response the AFB secretariat confirmed its overall agreement with the recommendations and way forward providing some further clarifications on current work being undertaken by the Fund. (AFB/EFC.28/9)

IV. *Evaluation Policy of the Adaptation Fund*

17. The Evaluation Policy of the Adaptation Fund (EP), adopted by the Board in Decision B.38/48 (March 2022), will come into effect in October 2023. The introduction of the Evaluation Policy has significant implications for the scope, interpretation, and process for the Overall Evaluation. The Fund-specific Evaluation Principles⁵, evaluation criteria, and the evaluation

⁴ Recommendation 11: Gender and ESP; Recommendation 13: Monitoring and Evaluation

⁵ : Relevance and utility, credibility and robustness, transparency, impartiality and objectivity, equitable and gender sensitive inclusivity, complementarity, complexity

categories and levels orient the Overall Evaluation and establish clear parameters and associated roles and responsibilities, providing latitude for the scope and stakeholder engagement in the evaluation. The EP offers an opportunity for Fund-wide learning and to contribute evidence beyond the Fund.

18. The EP states: *“Fund-level evaluations. The Board may commission the AF-TERG to assess the long-term outcomes and impacts of the Fund (approximately every five years). Representatives of eligible countries, the donor community, Board members, secretariat, peer organizations, IEs, and other stakeholders shall be invited to provide insights during the consultative phase of such evaluations. The Board may seek to create an Advisory Group (AG) to guide the evaluation, representative of experts and key stakeholders.”* (Evaluation Policy of the Adaptation Fund, page 13)

19. The EP states that the Fund-level evaluation pursues: *“Long-term outcomes, impacts of the Adaptation Fund. . . Representatives of eligible countries, the donor community, Board members, secretariat, peer organizations, IEs, and other stakeholders shall be invited to provide insights during the consultative phase of such evaluations. The Board may seek to create an Advisory Group (AG) to guide the evaluation, representative of experts and key stakeholders.”* (EP, pg. 14)

20. The EP will be in effect when the Overall Evaluation is conducted. Therefore, the Overall Evaluation will apply the evaluation principles, and the evaluation criteria as applicable. In particular, the Overall Evaluation offers scope to apply the Fund-specific criteria of Equity, Adaptive management, Scalability – the extent to which the intervention demonstrates that CCA can be increased or replicated at a broader scale, as well as in other contexts, and Human and ecological sustainability and security as well as the OECD/DAC criteria. While it is not anticipated that the Overall Evaluation will affect the roll-out of Evaluation Policy, the findings from the Overall Evaluation may identify opportunities to enhance the use of the Evaluation Policy guidance documents and/or capacity building opportunities to support the implementation of the Evaluation Policy. The Overall Evaluation offers opportunity to contribute to the Fund’s learning, decision-making, and accountability.

Alignment with the evolving external CCA context, key studies and evaluative literature

I. The Global Stocktake of the Paris Agreement

21. The Global Stocktake of the Paris Agreement (GST) is a process for taking stock of the implementation of the Paris Agreement with the aim to assess the world’s collective progress towards achieving the purpose of the agreement and its long-term goals. The first GST will take place from 2021 to 2023, overlapping to some extent with the period anticipated for the next Overall Evaluation of the Fund. The GST is expected to be comprehensive and facilitative and will assess collective progress on the following thematic areas: mitigation, adaptation and finance flows and means of implementation and support. The GST will also consider the social and economic consequences of response measures and averting, minimizing and addressing loss

and damage. The collective assessment will take into consideration inputs on equity and will make use of the best available science.

22. The data collection process and analysis conducted through the Overall Evaluation has the potential to align with and delve deeper into findings of relevance to the Fund as these emerge from the GST. Where relevant, the Overall Evaluation will consider the guiding questions prepared by the SB Chairs for the Technical component of the first Global Stocktake on Adaptation. Specifically, these relate to overall progress in implementation of the goals defined in Articles 2.1b and 7.1 of the Paris Agreement, the adequacy of current adaptation efforts. The Overall Evaluation has scope to contribute substantively to the question of how the Fund can contribute to achieving the goals defined in Articles 2.1(b) and 7.1 of the Paris Agreement⁶:

- (a) What further action is required?
- (b) What are the barriers and challenges, and how can they be overcome at national, regional and international levels?
- (c) What are the opportunities, good practices, lessons learned and success stories?

II. Fourth Review of the Adaptation Fund

23. The thirteenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 13) requested the Subsidiary Body for Implementation (SBI) to initiate the Fourth Review of the Adaptation Fund. The Fourth Review will be conducted in accordance with the Terms of Reference contained in the Annex to Decision 4/CMP.16. The SBI is requested to complete its work on the Fourth Review at its fifty-seventh session (November 2022), while welcoming the participation of Parties to the Paris Agreement, with a view to recommending a draft decision on the matter for consideration and adoption by the CMP at its seventeenth session;

24. The objective of the Fourth Review is to ensure the effectiveness, sustainability and adequacy of the Fund and its operations. The scope of the review will cover the progress made to date and lessons learned in the operationalization and implementation of the Fund and it will focus on, inter alia:

- (a) The provision of sustainable, predictable, accessible and adequate financial resources and the mobilization of financial resources to fund concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing country Parties;

⁶ Article 2.1 (b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; Article 7. 1. Parties hereby establish the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2

https://unfccc.int/sites/default/files/resource/Draft%20GST1_TA%20Guiding%20Questions.pdf

- (b) Lessons learned from:
- (i) The application of the access modalities of the Adaptation Fund, including its operational policies and guidelines, including its Streamlined Accreditation Process;
 - (ii) The project approval procedures of the Adaptation Fund and timeliness of disbursement of approved adaptation grants;
 - (iii) The results and impacts of approved adaptation projects and programmes;
 - (iv) The readiness programme for direct access to climate finance, including lessons learned from South–South cooperation and enhanced direct access grants;
 - (v) The programme for regional projects;
 - (vi) The Innovation Facility.
- (c) Programming and project coherence and complementarity between the Adaptation Fund and other institutions funding adaptation projects and programmes, in particular institutions under the Convention and the operating entities of the Financial Mechanism and its specialized funds;
- (d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

III. Broader evaluative literature

25. International good practice indicates that an overall evaluation be conducted periodically. Since 1999, the Global Environmental Facility (GEF) has conducted an Overall Performance Study (OPS) every 3-4 years (the next OPS8 is planned for FY25). The Green Climate Fund (GCF) conducted its first forward-looking overall evaluation in 2019 and is conducting the second overall evaluation in 2023 (Annex 1). In both cases, the [sister] funds conduct these overall evaluations linked to the replenishment process which the Fund does not have. The AF-TERG undertook a synthesis of evaluations conducted by other climate funds and multilateral organizations from 2019-2021 which identified common objectives and methodologies as well as areas of interest, gaps in information to avoid overlap into issues that are already well covered by other recent evaluations. Overall, the synthesis shows limited numbers of explicit references to the Fund in existing evaluations, strengthening the need for a dedicated assessment of the Adaptation Fund.

26. Literature review (Annex 3) pointed to several priority themes when evaluating climate or environmental funds which include:

- **Prioritization at the country level:** Coherence and complementarity in adaptation planning and delivery at the country level considering resource unpredictability and strategic priorities beyond country drivenness.

- **Institutional arrangements:** While adaptation-related capacity and expertise has been built centrally, regional, and especially country-level offices lack sufficient knowledge and capacity for effective and efficient project conceptualisation, design, and implementation. Human and financial resource availability and insufficient climate change adaptation expertise is a pervasive challenge.
- **Achieving results:** Indicators are often deemed insufficient to monitor all the relevant aspects of adaptation interventions, including learning and sharing components. Results management systems are not built to promote robust, internal discussions around performance, which would be crucial for adaptive management and learning. In implementation, delays in adaptation projects arise from difficulty coordinating between executing partners, recruiting personnel, staff turnover, changes in project execution arrangements, weak project management. Multiple challenges in project design, funding modalities and in how adaptation is measured have constrained evidence on the achievement of results and adaptation outputs.

Changes in the Fund's context

27. Since the last Overall Evaluation there have been important changes at the Fund. Since 2017, the portfolio has expanded by US\$463 million and 89% in number of projects. The MTS 2018-2022 was designed, developed and implemented introducing strategic funding windows and integrated new aspects to the Fund's work and most recently, the country cap has been doubled to US\$20 million and up two national entities are allowed to be accredited per country which will further expand the Fund's portfolio. The latest resource mobilization experience also sets an expectation for the Fund to continue to receive a considerable increase of funding. Additionally, the second Medium-Term Strategy 2024-2027 is in development and will be presented to the Board in October 2022.

Concrete adaptation portfolio (approved projects -cumulative)		
29 July 2022	# 132	\$ 923,508,270
End of 2017	# 70	\$ 460,089,075
Increase	+ 89% (almost doubled)	+ 101% (more than doubled)

28. There is potential to offer lessons, based upon the significant experience gathered from project development, implementation, governance, management. Experiences at the country level offer key lessons about how to best serve country needs and generate impact.

Scope for the proposed overall evaluation

29. Consultation with Fund stakeholders reinforces the need for an Overall Evaluation with the dual objective of providing accountability and learning for the Fund. Stakeholders consulted during the MTR of the MTS and the forward trajectory of the AF-TERG workplan confirm the need for an evaluation to assess aspects that were not within scope of the MTR of the MTS, and to provide an overall assessment of the Fund's performance since 2017 considering the significant

changes in both the internal and external context in which the Fund operates. The recently approved Evaluation Policy provides space for fund-level evaluations which the Board may commission from the AF-TERG to assess the long-term outcomes and impacts of the Fund (approximately every five years).

30. Under the auspices of learning and accountability, an overall evaluation would offer insight into two key questions:

- (a) How can the Fund be more impactful, more supportive of, and responsive to country needs in the current climate crisis?
- (b) How can resources reach the needs of the most vulnerable faster and smarter?

Proposed options for the Overall Evaluation of the Adaptation Fund

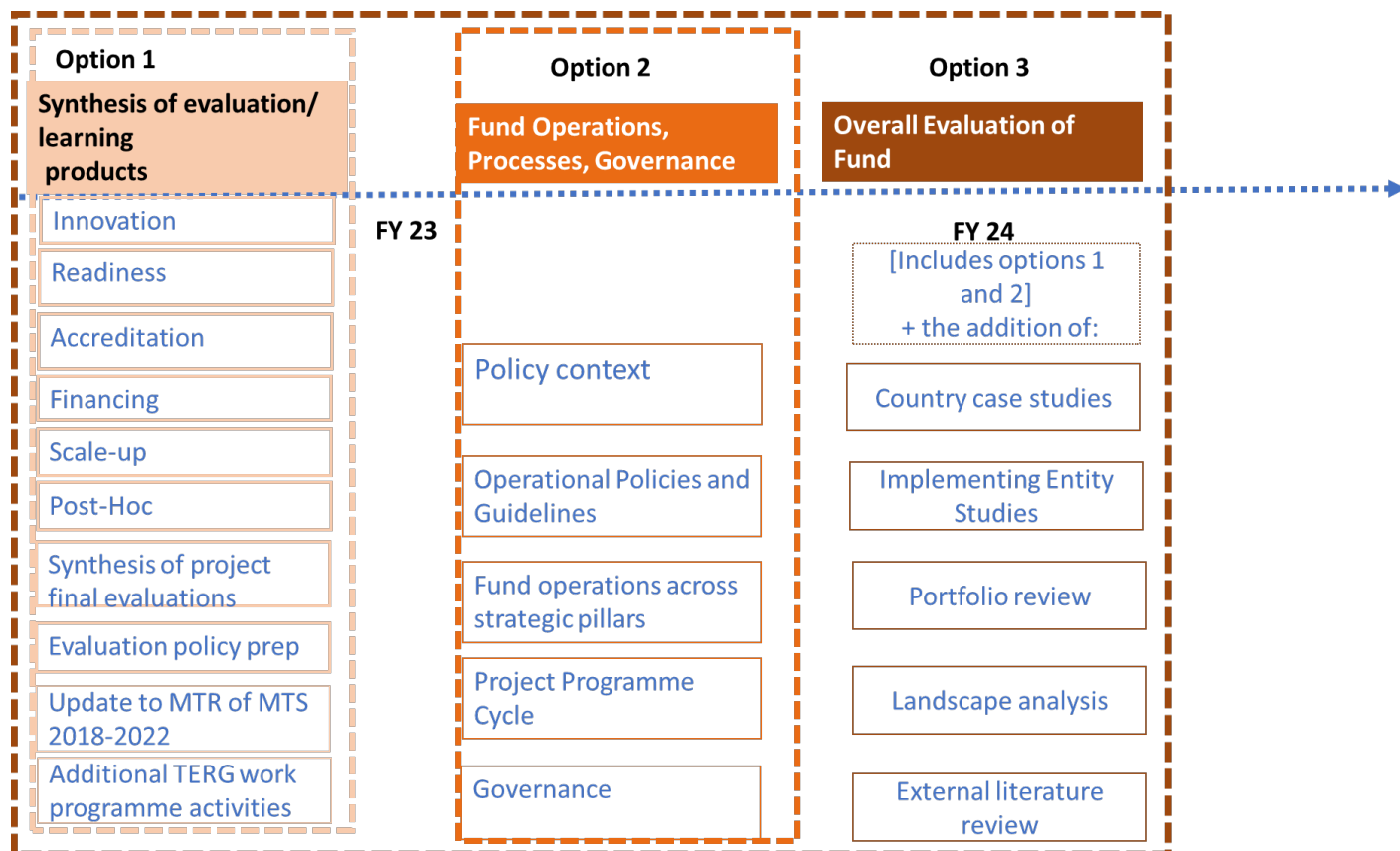
31. The following three options are based on analysis conducted by the AF-TERG. They are guided by the need to offer findings that can serve the Fund's performance and taking into consideration the suggested directions from the MTR of the MTS, information needs of the Fourth Review of the Fund, the Global Stocktake, outputs generated from the broader Fund and AF-TERG work programme, and contributions from Fund stakeholders.

32. These options provide an opportunity for the AF-TERG to generate evidence that can support the implementation of the second MTS and meet the potential needs of the AFB secretariat and countries in their implementation of Fund-financed adaptation action.

33. These options are intended to guide discussions with the AFB Secretariat and Board Members on how to proceed with the Overall Evaluation. Following recommendations and agreement from the EFC and Board, the AF-TERG would conduct further detailed consultations and launch the process in 2023.

34. The three options, presented below, are not mutually exclusive. It is to be noted that Option 3 encompasses both Options 1 and 2, plus some additional prioritized evaluation activity. The following sets out the overall scope and timeframe (see Annex 2) for each of the options, key areas of enquiry, and the opportunities and challenges associated with each option:

Figure 1 Proposed options for the Overall Evaluation of the Adaptation Fund and topics to be included in each option



Option 1: Synthesis of experiences and emerging lessons from AF-TERG evaluations

35. An evaluation synthesis approach will highlight issues identified across different evaluations and learning products and can address questions using an existing evidence base. The evaluation synthesis would draw on all AF-TERG evaluation final and interim products to date, and Fund learning products. This includes:

- (a) Adaptation Fund Learning Products
 - Adaptation Fund Knowledge Products: Lessons learned studies 2017-2022; Project Monitoring Mission Reports; Annual Performance Reports; Mid-term Evaluation Reports etc.
 - IE Knowledge Products: Country specific studies, technical reports, publications etc.
- (b) AF-TERG Evaluation Products (on-going, as agreed in its work programme)
 - MTR of the MTS
 - Thematic Evaluation on Innovation

- Thematic Evaluation on Accreditation
- Thematic Evaluation on Scalability
- Synthesis of final evaluations
- Ex post evaluations
- Evaluation Policy outputs

36. The synthesis would seek to respond to the following overarching evaluation questions
- (a) What has the Fund learnt in the last five years while implementing some of the key policies and strategies,
 - (b) What have the Fund-supported activities achieved?
 - (c) How can the Fund be more impactful, supportive, and responsive to country needs?
 - (d) What are the systemic issues related to project implementation and performance, including factors that have supported and constrained performance?

37. Strengths of this approach are the potential for rapid assessment and for building on existing evaluation products. This provides for an efficient use of resources and enables the AF-TERG to conduct this exercise with light engagement with IEs, Secretariat Staff, and Board members.

38. This option does not provide a full overall evaluation of the Fund as there are topics that the current evaluative evidence and knowledge stream has not yet covered.

39. The level of resources required is modest, involving contracting one or two consultants to conduct the synthesis but no extensive primary data collection or analysis is expected.

Option 2: Evaluation of Fund Operations, Processes, Governance

40. This option provides an opportunity to focus on the areas that have not been covered by AF-TERG evaluation products to date, particularly, those that were not covered by the MTR of the MTS. While the broad policy context, and operational policies and guidelines were within the purview and context of the MTR of the MTS, assessment of their relevance, efficiency, and effectiveness was excluded from the MTR as they are not part of the MTS. This evaluation will focus on operational aspects of the Fund, including the processes and governance arrangements and the extent to which they support the Fund's performance. The objective is to identify what is working well and where the Fund can work better and faster. Key aspects to be assessed with this option are:

- (a) Relevance and efficiency of the Fund's Governance Structure;
- (b) Efficiency and timeliness of Fund project cycle, processes, and structures;
- (c) Relevance and results of Fund policies and procedures.

41. The benefits of this approach are that they will focus on aspects that are critical to Fund performance and have thus far not been a focus of evaluation. Rather than focusing on all Fund functions, this option focuses specifically on the mechanisms, processes, policies, and structures that support the Fund's function with a specific focus on effectiveness and efficiency including the Fund's governance. The role and effectiveness of the AF-TERG would also be within scope, complementing the processes for the forthcoming peer review of the AF-TERG. This approach offers the opportunity to consider whether the systems and processes are working as well as they can be and where there are opportunities for performance improvements. This option would seek to understand the experience of IEs in engaging with the Fund processes and in translating the Fund's policies into practice.

42. The main drawback of this approach is that it focuses on the internal workings of the Fund rather than the performance achieved. It would rely mainly on the AFB Secretariat, and the PPRC to provide data and information. As Option 1, it does not provide a comprehensive evaluation of the Fund.

43. The level of resources required may be high, and outside of the AF-TERG's current budget envelope and might require the contracting and management of a series of consultants or firms to conduct the evaluations of these topics given that these areas have not been assessed since the previous Overall Evaluation.

Option 3: Overall Performance Evaluation (recommended option)

44. An Overall Performance Evaluation offers an opportunity for both a summative and formative assessment of the Adaptation Fund's work as the previous overall evaluation was conducted in 2017. This option proposes to:

- (a) Build on existing evaluative evidence (Option 1);
- (b) Assess the project cycle, processes, structures, and governance of the Fund. to Retrospective overall performance evaluation that focuses on Fund policies (e.g., Gender Policy and Action Plan, Environmental and Social Policy), and on activities and processes to support effectiveness and efficiency in the governance, operations, project cycle and to meet the demands of the new MTS and funding cycle (Option 2),
- (c) Conduct a portfolio review;
- (d) Draw out lessons and insights through country case studies which include network and landscape analysis of CCA at the country level rather by project;
- (e) Conduct a comparative landscape analysis of the Fund in the context of climate adaptation financing.

45. This option intends to provide forward-looking insight to consider not only what has been achieved to date, what will be needed in a volatile, uncertain, complex, and ambiguous future, with high demand for options and solutions to deal with the urgent (current) climate crisis.

46. Unlike GCF and GEF, the Adaptation Fund has not yet undertaken a forward-looking review (see Annex 1). This aspect of the Overall Performance Evaluation would aim to understand what has worked, the circumstances that have supported achievement, and what factors support or constrain achievement. This option offers an assessment of Adaptation needs in a changing global context, accelerated climate crisis and with a longer horizon view. Its scope is to understand performance to date in order to inform future needs and imperatives for the Fund considering climate, social, political and economic trends.

47. Key aspects to be assessed with this option are:

- (a) What is working well and what are the demands for the future
- (b) Relevance and added value of the Fund in response to climate adaptation needs of women and men at the country level, and the global level
- (c) Effectiveness and efficiency at global and country levels (timeliness, cost-efficiency) and
- (d) Forward looking role for the Adaptation Fund in response to emerging challenges and crises.

48. There will be an opportunity to look at the implementation of the Fund, challenges and opportunities at the country level and from the point of view of the IEs.

49. This option has the advantage of making a comprehensive assessment of the achievements and challenges encountered through Fund projects since the last evaluation recognizing that the portfolio has expanded significantly and there is a body of evidence to learn from.

50. This is an extensive, resource-intensive exercise. The emphasis on the outputs and outcomes from projects and country experiences will be a challenge. This places a potential demand on IEs, government partners, and project beneficiaries for information about experiences in project design, implementation, and engagement with the Fund's project implementation, and experience. There is a challenge and an opportunity to demonstrate the impact and sustainability of Fund projects since only few have been completed.

51. The level of resources required may be high and fall outside of the AF-TERG's current budget envelope, as this option and might require the contracting and management of a series of consultants or firms to conduct evaluations on these topics given that these areas have not been assessed since the previous Overall Evaluation.

Mid-Term Review of the Medium-Term Strategy- FY26

52. The overall evaluation is not timed to feed into the forthcoming second MTS to be discussed at the October 2022 Board meeting. Therefore, in addition to any of these options, and conditional to the final approval of the next Medium-Term Strategy (MTS II), and subject to the EFC's approval of its next work programme, the AF-TERG would propose to conduct a MTR of the MTS II to focus on the strategic orientation and pillars of the MTS II. This would respond to

the need, identified in the MTR of the MTS (2021) for the Fund to clarify and strengthen its niche at country and global levels and for the Fund to identify opportunities for partnerships. Opting for the MTR of the MTS II in FY26 when early results of the MTS are available provides potential to contribute to the second half of the strategic period and serves as a complement to any of the options presented. Further options on the scope of the MTR will be elaborated in the AF-TERG's next work programme and presented to the EFC for its discussion and subsequent approval.

Conducting the Overall Evaluation

53. The EP calls for “a whole-of-Fund approach that engages all Fund entities in contributing to generating and optimizing the use of quality evidence and learning across Fund operations”. This offers opportunity for enhanced participation of stakeholders (e.g., the Board, CSO Network, AFB Secretariat, AF-TERG, IEs) in the Overall Evaluation to support co-ownership of the evaluation process and enhance the possibility for utilization of evaluation findings. With this, there is an opportunity for substantive and sustained engagement of diverse groups of stakeholders in an advisory capacity for the overall evaluation. Starting the process early, after receiving guidance during the October Board meeting, will ensure a full consultative and participatory process to developing the TORs, implementing it and reaching conclusions and recommendations.

54. As it has been the practice with other evaluations commissioned, the AF-TERG will explore different options of contracting consultants at different levels to respond and be relevant to the option selected. The AF-TERG members will continue to provide their strategic guidance and be focal points for the work conducted under any of the options.

55. Following the successful and very useful experience with the convening and implementation the Advisory Group for the Evaluation Policy, the AF-TERG proposes to create an Advisory Group, with balanced representation from across Fund stakeholders, for the overall evaluation, following similar TORs.

Budget and Resourcing

56. The AF-TERG has conducted preliminary calculations of the potential budgets by option, based on days of consultants (or firms) which would include overheads and also could include the cost of different levels of professionals as well as travel cost.⁷

57. The costs of some evaluative activities in all three options above are already included in the AF-TERG budget and work programme as approved by the EFC. The table below therefore only shows additional costs for activities that are not already factored into the AF-TERG budget.

⁷ For the purposes of benchmarking, it should be noted that the indicative budget for the Second Performance Review of the GCF was \$1,315,000. <https://www.greenclimate.fund/sites/default/files/document/gcf-b28-07.pdf>

	Areas for evaluation	Indicative input	Indicative cost		Level of involvement	
			Estimated additional cost	Timeframe	AFB Secretariat	IE / DA stakeholders
Option 1	Synthesis	50-80 days 1-2 consultants	US\$ 50,000	6-8 months	Low	Low
Option 2	Internal / Operational aspects of the Fund.	Estimated 200-300 days of consulting team/firm	US\$ 100 - 150,000	6-12 months	High	Moderate
Option 3	Formative and Summative – Overall Evaluation Includes options 1 and 2 plus a few other priority areas	Estimated 500 days of consulting firm	US\$ 250,000 (this includes costs of Options 1 and 2, plus additional work)	12-18 months	High	High

Timeline

58. Subject to Board approval, the AF-TERG would propose to proceed as follows:
- (a) Form the Advisory Group with balanced representation from across the Fund (Nov 2022)
 - (b) Submit detailed Terms of Reference for intersessional approval by the EFC (Jan 2023)
 - (c) Submit a detailed budget proposal for the full cost of the OP for EFC approval (Mar 2023)
 - (d) Procure and appoint consultancy services (March – May 2023)
 - (e) Provide an update to the EFC and Board on progress and emerging findings (Oct 2023)
 - (f) Final Overall Evaluation to the EFC and Board (March 2024), and no later than October 2024 (depending on the Option selected)

59. The start date for all three options is envisaged to be in the current FY23. However, the completion date will largely depend on the option selected, and the available resources. While either Option 1 or 2 will be completed within 12 months of its start date, Option 3 could take longer. Nevertheless, the AF-TERG would propose that the evaluation is phased such that emerging findings are presented at EFC and Board meetings, with final findings presented by October 2024.

Summary and next steps

60. The Board may wish to consider the options for the Overall Evaluation presented in this document and to decide on a way forward.

Recommendation

61. The Ethics and Finance Committee may want to consider the information contained in document AFB/EFC.30/11 on options and elements for the Overall Evaluation, and recommend that the Board decide:

- (a) To take note of the report and the options presented in document AFB/EFC.30/11;
- (b) To approve Option [1, 2 or 3];
- (c) To request the Adaptation Fund Technical Evaluation Reference Group, in consultation with the Board secretariat and through a consultative approach with key stakeholders, to prepare Terms of Reference for the Overall Evaluation in line with Option [1, 2 or 3], including budget estimates (in line with the selected Option), to be presented to the Ethics and Finance Committee (EFC) for consideration intersessionally between its thirtieth and thirty-first meetings.
- (d) To present detailed financial implications of the Overall Evaluation, according to the Option selected, for consideration by the EFC at its thirty-first meeting.
- (e) To encourage any member wishing to participate in an Advisory Group for the Fund's Overall Evaluation, in an individual / nonrepresentative capacity and on a voluntary basis, to consider the following in making their decision on participation: the required time commitment, their interest in the topic and any perceived or real conflict of interest.

Annex 1: Summary of overall evaluations undertaken by GCF, GEF, CIF, LDCF, SCDF in chronological order

Fund	Year	Title of Evaluation	Scope
GEF	1999	Study of GEF's Overall Performance (OP1)	The study focused on a set of issues related to institutions, procedures, policies and programming of the GEF. <ul style="list-style-type: none"> • Provision of resources for the GEF • Issues at the country level • Institutional issues • Project cycle procedures • Programming issues
GEF	2002	The First Decade of the GEF (OPS2)	Designed to assess the extent to which GEF has achieved, or is on its way to achieving, its main objectives as specified during the restructuring in 1994, and the policies adopted by the GEF Council in subsequent years.
GEF	2005	OPS3: Progressing Toward Environmental Results	1) results of GEF activities; (2) sustainability of results at the country level; (3) the GEF as a catalytic institution; (4) GEF policies, institutional structure, and partnerships; and (5) GEF implementation processes.
GEF	2010	OPS4: Progress Toward Impact	[undertaken by GEF Evaluation office rather than external] 1. e role and added value of the GEF 2. The concrete, measurable, and verifiable results (outcomes and impacts) of the GEF in its six focal areas and in multifocal area efforts, and how these achievements relate to the intended results of interventions and to the problems at which they were targeted. 3. assessment of the relevance of the GEF to the global conventions and to recipient countries, 4. Performance issues affecting <ul style="list-style-type: none"> • GEF results 5. Resource mobilization and financial management at the GEF level
GEF	2013	Cumulative Evidence on the Challenging Pathways to Impact (OPS5)	assess the extent to which the GEF is achieving its objectives and to identify potential improvements based on a meta-evaluation of the evaluation reports, studies, and reviews of the Independent Evaluation Office since OPS4.
GEF	2014	At Crossroads for Higher Impact (OPS5 Final Report)	Trends in global environmental problems Emergence of new funding channels, including the GEF's role in some of these channels Assessment of the comparative advantage of the GEF and whether the GEF has the resources to achieve objectives Donor performance in the GEF and resource mobilization In-depth look at focal area strategies, as well as multifocal area efforts, including impact Reform processes Governance of the GEF Role of the private sector

Fund	Year	Title of Evaluation	Scope
			<p>Role of CSOs</p> <p>Cross-cutting policies</p> <p>GEF network and partnership</p>
GEF	2017	The GEF in the Changing Environmental Finance Landscape (OPS6)	<p>GEF's relevance in the Global Environment</p> <p>Performance and impact</p> <p>Financing, governance, policies and internal systems</p>
CIF	2018	Evaluation of the CIF Programmatic Approach	The purpose of this evaluation is to understand the concept of the CIF programmatic approach, understand how it has been applied, and assess outcomes from its use. The evaluation aims to inform enhancements to the programmatic approach in CIF recipient countries and to identify good practice examples and lessons for the benefit of other climate finance mechanisms.
SCCF	2018	Program Evaluation of the Special Climate Change Fund (SCCF) 2017	Insights and lessons on the Global Environment Facility (GEF) adaptation portfolio for the GEF-7 replenishment cycle. It assesses the Special Climate Change Fund's (SCCF's) efficacy, results, successes, and shortcomings through a thorough evaluation of the portfolio.
CIF	2019	Evaluation of Transformational Change in the CIF	The Evaluation analyzed CIF's contribution to transformational change by testing hypotheses across case studies in 15 countries.
GCF	2019	Forward-looking Performance Review (FPR) of the Green Climate Fund	<p>The progress made by the Fund so far in delivering its mandate set by the Governing Instrument, and the achievements of the GCF's initial Strategic Plan;</p> <p>The appropriateness of GCF's business model;</p> <p>The extent to which it has responded to the needs of developing countries and the level of country ownership; and</p> <p>• Its contribution to a paradigm shift towards low-emissions, high-resilience development pathways.</p>
LDCF	2020	Program Evaluation of the Least Developed Countries Fund	<p>Performance and progress towards LDCF objectives and results in the four years since the 2016 LDCF program evaluation. Objective to assess the progress the LDCF has made since the 2016 LDCF program evaluation and the extent to which the LDCF is in the process of achieving the objectives set out in the GEF Programming Strategy on Adaptation to Climate Change for LDCF/SCCF (2018–2022). The evaluation focuses on relevance, effectiveness, efficiency, sustainability of outcomes and additionality of the LDCF. Special attention is given to gender considerations, resilience and engagement of the private sector. The primary stakeholders are GEF Secretariat staff, staff of GEF Agencies and LDCF/SCCF Council members. Secondary stakeholders are staff of the STAP, staff from Governments, country-level project implementers and other GEF stakeholders and beneficiaries.</p>

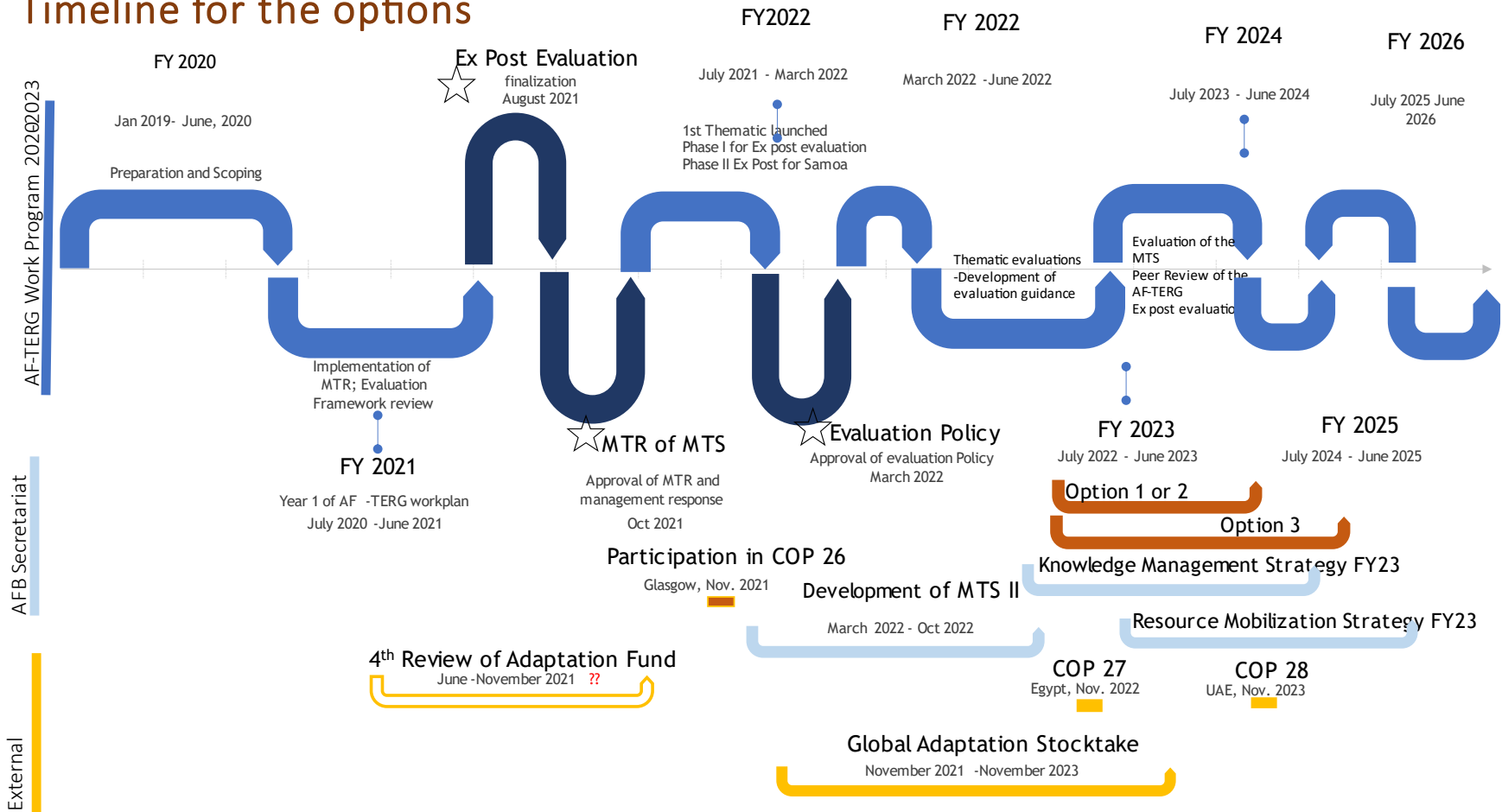
Fund	Year	Title of Evaluation	Scope
SCCF	2022	Special Climate Change Fund 2021 Program Evaluation	Assess the progress the SCCF has made since the most recent SCCF program evaluation (GEF IEO 2018b) and the extent to which the SCCF is achieving the objectives set out in the GEF adaptation strategy.
GEF	2022	Working Toward a Greener Global Recovery (OPS7)	GEF performance across interventions Performance by focal areas Performance in specific country contexts GEF approaches and enablers (enabling activities, medium size projects, small grants, integrated programming, innovation and scale up, private sector, institutional policies and systems); Leveraging the GEF's competitive advantage in a global greener recovery
GCF	2023	Second Performance Review of the Green Climate Fund	Progress made by GCF in delivering on its mandate as set out in the Governing Instrument as well as in terms of its strategic and operational priorities and actions as outlined in the Updated Strategic Plan for 2020–2023, in particular the extent to which GCF has: responded to the needs of developing countries and the level of country ownership; the ability of GCF to catalyse public and private climate finance, including the use of financial instruments; and supported the building of institutional capacity in developing countries and accredited entities; Performance of GCF in promoting the paradigm shift towards low-emission and climate-resilient development pathways, including the effectiveness of the funded activities and its effectiveness and efficiency

Indicative budget:
1,315,000⁸

⁸ Schedule and Budget of the Second Performance Review of the Green Climate Fund
<https://www.greencimate.fund/sites/default/files/document/gcf-b28-07.pdf>

Annex 2: Indicative timeframe for Options for the Overall Evaluation

Timeline for the options



Annex 3: Bibliography of Evaluative analysis

Evaluations synthesized as part of analytical exercise to inform the options for the Overall Evaluation

#	Organisation	Year of publication	Evaluation Title	Evaluated period
Climate funds				
1	GCF	2021	Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund	2015-2021
2	LDCF (GEF)	2020	Program Evaluation of the Least Developed Countries Fund	2016-2019
3	SCCF (GEF)	2018	Program Evaluation of the Special Climate Change Fund	2001-2016
Multilateral Development Banks				
4	AfDB	2021	Evaluation of Mainstreaming Green Growth and Climate Change into the AfDB's Interventions	2008-2018
5	ADB	2020	ADB Support for Action on Climate Change, 2011-2020	2011-2020
UN-agencies				
6	FAO	2021	Evaluation of FAO's support to climate action (SDG 13) and the implementation of the FAO Strategy on Climate Change	2015-2020
7	UNDP	2020	Evaluation of UNDP Support to Climate Change Adaptation	-2020
8	WFP	2019	Strategic Evaluation of WFP Support for Enhanced Resilience	-2019