



ADAPTATION FUND

AFB/EFC.32/Inf.3
8 October 2023

Adaptation Fund Board
Ethics and Finance Committee
Thirty-second Meeting
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Agenda Item: 5 d)

**APPROACH TO THE SECOND STRATEGY AND WORK
PROGRAMME OF THE TECHNICAL EVALUATION
REFERENCE GROUP OF THE ADAPTATION FUND FOR THE
PERIOD 2025-27 (WP2)**

Background

1. The Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) is an independent evaluation advisory group, accountable to the Fund's Board (hereafter, 'the Board'), and functionally independent of the Adaptation Fund Board secretariat (hereafter, 'the secretariat'). It was established to ensure the independent implementation of the Adaptation Fund's (hereafter, 'the Fund') Evaluation Framework, which is replaced by the Evaluation Policy since October 2023.

2. The AF-TERG has been operational since 1 July 2019, and its first multi-year work programme and budget, as approved by the Board, extends up to June 2024. On 4 June 2020, the Board approved, through inter-sessional decision B.35.a-35.b/29, the strategy and three-year work programme of the AF-TERG for 2021-2023 (AFB/EFC.26.a26.b/3).¹ Through intersessional decision B.35.a-35.b/27 the Board approved the first proposed two-year budget to cover the costs of the operations of the AF-TERG and its secretariat for fiscal years 2021 (FY21) and 2022 (FY22).² Adjustments for FY22 and a new requested budget for FY23 were approved by the Board as part of decision B.36/31. At the thirty-eight meeting of the Board, the Chair of the AF-TERG presented an update of the work programme for fiscal years 2023 and 2024 (AFB/EFC.29/7). Adjustments for FY23 and a new budget for FY24 were approved by the Board as part of decision B.38/47. A revised budget for FY23 was approved by the Board in October 2022 as part of decision B.39/58.³

3. The Adaptation Fund Board, through Decision B.38/47, adopted the Evaluation Policy (EP) that replaced the Evaluation Framework and emphasized the importance of the evaluation function as part of the accountability and learning mechanisms of the Fund. The policy also clarifies and redefines the responsibilities of all Fund stakeholders regarding the evaluation function, including the responsibilities of AF-TERG. In particular, the policy provides clarity on the AF-TERG roles across three key areas – generation of evaluations, evaluation utilization, and evaluation capacity development.

4. The Board also approved the second five-year strategy of the Adaptation Fund (MTS 2, 2022-27) which provides new directions for the Fund operations around the strategic pillars of Action, Innovation, and Learning and Sharing. The strategy re-emphasizes the IPCC recommendations that 'monitoring and evaluation (M&E) of adaptation are critical for tracking progress and enabling effective adaptation'. It also reconfirmed that 'the Fund's [independent] evaluation function, the AF-TERG, provides highly relevant and timely evaluations and recommendations for the Fund to stay responsive to important global trends in adaptation and

¹ Available at: <https://www.adaptation-fund.org/document/draft-strategy-and-work-programme-of-the-adaptation-fundtechnical-evaluation-reference-group-af-terg/>

² Available at: <https://www.adaptation-fund.org/document/administrative-budgets-of-the-board-and-secretariat-and-trustee-for-fiscalyear-2021-and-the-af-terg-and-its-secretariat-for-fiscal-years-2021-2022/>

³ Available at: <https://www.adaptation-fund.org/document/revision-of-the-administrative-budget-of-the-af-terg-and-its-secretariat-for-fiscal-year-2023/>

evaluation'. The MTS 2 Implementation Plan also specified some areas of engagement with the AF-TERG.

5. These developments have provided a new working environment and set higher expectations for the independent evaluation function and its role in the operations of the Fund in the coming years.

Introduction

6. As AF-TERG is approaching the end of its first multi-year work programme in June 2024 and following inputs from stakeholders⁴ and partners and lessons and evidence gaps identified in the rapid evaluation (AFB/EFC.32/.6), the AF-TERG has prepared this draft approach paper for the second multi-year programme (WP 2) to seek guidance from the EFC and Board members on the overall direction, prioritization across workstreams, the potential increase in the numbers of evaluation products to be delivered, capacity of the AF-TERG and resources available.

7. The EFC's steer will act as a basis for further consultation with the Board Secretariat and key Fund stakeholders. This approach paper will be further enhanced through a consultative process and developed into a new multi-year work programme to be presented alongside a costed budget, to the Board in March 2024.

8. Two accompanying annexes include: (i) An initial shortlist of topics for evaluation (Annex 1), identified from a survey of Fund Stakeholders in June 2023, and capturing evidence gaps identified from the rapid evaluation (AFB/EFC.32/.6); and (ii) key deliverables proposed for WP2 (FY 2025-2027) which incorporate the on-going commitments listed in the EP and the MTS implementation plan (IP).

Suggested approaches for the AF-TERG's WP-2

Building on experiences from WP1

9. The AF-TERG's first multi-year work programme (2020 – 2024) (WP1) was based on delivering the Fund's evaluation framework (2012), as outlined in the AF-TERG's Terms of Reference. In its initial years of implementation WP1 predominantly focused on Generation of Evaluations, and gradually built on the advisory and oversight functions. WP1 also put in place critical building blocks for evaluation notably, the mid-term review of the Fund's first Medium Term Strategy (MTS 1), the development of the EP and associated guidance notes, the development and piloting of methodologies for ex-posts, three strategic thematic evaluations, synthesis of the final evaluations, and other foundational studies.

10. WP2 proposes to continue to build evidence in this direction: the Generation of Evaluations will continue (with strategic prioritization and direction from the EFC, including across

⁴ The inputs were collected through a survey distributed among Board members, NIEs, and Adaptation Fund Board Secretariat and other stakeholders.

oversight and advisory functions), with a growing emphasis on the Utilization of Evaluations and Evaluation Capacity Development responsibilities as envisaged in the EP.

Alignment with Fund policies and Strategies

11. The focus and scope of the AF-TERG's second multi-year work programme will remain fully aligned with the Adaptation Fund's policies and strategic priorities, and the selection and prioritization of its evaluation activities will continue to be guided by the EFC.

12. The timeframe and proposed approach of WP2 will be in alignment with the Fund's policy direction and the Medium-Term Strategy and its implementation plan commitments, taking account of the increasing ambition and synergies under the Action, Innovation and Learning and Sharing pillars, and the cross-cutting elements of locally-led adaptation, enhancing access to climate finance and building long-term adaptation capacities; empowering the most vulnerable communities as agents of change; advancing gender equality; and strengthening synergies with other adaptation funders, and scaling up of Fund actions and results.

Suggested activities.

13. The scope of evaluation activities under WP2 will be framed according to the three levels of the pyramid – namely, Strategic, Thematic and Operational. Most of the evaluation activities outlined in Annex 2 already appear in the IP and the EP. Two significant pieces of work include: the overall evaluation of the Fund, and the Mid Term Review of the Fund's Medium-term Strategy. It is important to note that the AF-TERG will continue following the Board decision to conduct the overall evaluation following a phase-based approach (Decision B.39/57). Both studies are substantive requiring careful coordination, strategic consultations with the Board secretariat and with other Fund stakeholders, and access to key data within the Fund. The overall evaluation will serve as an umbrella evaluation which subsumes other (yet to be identified) pieces of evaluation activity, some of which may be shorter pieces of work with different timeframes. The MTS 2 IP has also identified the evaluation of the Readiness programme to identify specific gaps and provide recommendations for enhancing existing capacity building instruments and grants.

14. The AF-TERG also proposes to retain valuable aspects from its current Work Programme (WP1) as follows:

- a. The ex-post studies: WP1 provided for two ex-posts per year. WP2 could raise this to between 2-4 ex-posts per year, including by applying a 'light touch' approach to include evaluations of Fund projects in fragile or conflict-affected areas.
- b. Synthesis of final evaluations: this will help to identify emerging lessons, and to advise the Board on the quality of evaluations and their compliance with the Fund's Evaluation Policy.
- c. Real-time evaluations/thematic evaluations to inform the Board: The specific topics of evaluation will need to be selected and prioritized, with EFC guidance. The AF-TERG proposes a balance of shorter/lighter-touch studies on emerging

issues to support real-time learning alongside longer in-depth evaluations to provide timely inputs to processes of learning within the Fund.

Evidence-based approaches

15. **WP2 will draw on evidence generated so far, and evidence gaps identified as an input to prioritizing future evaluation work.** The recently concluded Rapid Evaluation study has pointed to some areas where there is limited or no evidence across the Fund's existing knowledge and evaluation products. Lessons from the upcoming synthesis of final evaluations, the ex-posts, and the scope of work of the Overall Evaluation of the Fund will also inform options for future evaluation activities.

Responsiveness to stakeholder needs

16. **To remain relevant to the needs of the Fund, WP2 proposes to be responsive to feedback and demand from Fund stakeholders.** The AF-TERG undertook an in-house survey (June 16 to July 5, 2023) with Fund stakeholders including the Board, the Board secretariat, Designated Authorities, Implementing Entities, and civil society to solicit their feedback on emerging evaluation priorities and requirements. Of the 103 responses received, a final dataset comprising 57 complete responses was taken for the analysis. Additionally, over the next few months, the AF-TERG proposes to follow up with some stakeholder interviews for more in-depth analysis.

17. The survey found that a majority of the respondents from these four categories were familiar with the work of AF-TERG and 100% of them felt the evaluation function of AF-TERG is important to the Adaptation Fund. There was also an overwhelming agreement for the continuation of work elements such as ex-post and thematic Evaluations, as well as the synthesis of final evaluations. The suggested factors to inform the new work programme were largely well supported by the respondents with a few additional suggestions pertaining to empowering of IEs and more needs-based resource (manpower and funding) allocation. Respondents felt that more information sessions, providing actionable recommendations to AF, reviewing the MTR, and bettering evaluation and results communications are some of the recommended ways by which AF-TERG can benefit the AFB. An overall empowerment of IE and a closer relationship with AF-TERG was also felt to be beneficial to the IEs.

18. In terms of the key thematic topic areas, respondents felt that the AF and its impact on the highly vulnerable was the top choice at the Fund-level, locally-led adaptation for reduced vulnerability and rapid evaluations on emerging areas were the top ranked at the Strategic (Thematic)-level, while all areas suggested in the survey within the Operational Level were chosen as relevant. A majority of respondents valued the AF-TERG's role and felt that support was needed for better evaluation functionality and implementation especially when capacity-gap challenges such as IE capacity strengthening, relevant data gathering, bettering resource allocation and stakeholder interactions demand solutions. Several suggestions for more

awareness about AF-TERG products and more avenues for communication of evaluation results via social media, websites, emails distributions have also been mentioned.

19. Finally, recommendations for improvement of the AF-TERG products were made which include the need for better clarity of the products, employing more means of communication about them, better collaboration with stakeholders, and a more robust overall evaluation process. Overall, the survey has been a medium for the relevant stakeholders of the Adaptation Fund to make suggestions towards giving direction to the new multi-year work program of the AF-TERG and strengthen its evaluation function moving forward. This has potential to not just result in better integration with the stakeholders, but also lead to an overall better performance of the AF as well as its supplied development funding.

Stakeholder engagement and outreach

20. **Engaging stakeholders will be increasingly important as part of the introducing the EP, updating EP guidance notes and extending support to IEs, particularly NIEs, in implementing the EP.** This may require more focused engagement of beneficiaries during evaluations to improve future efficiency and delivery (AFB), some direct interaction between AF-TERG and NIEs, and knowledge sharing, increasing focus on country and implementing entity (particularly NIEs) levels analysis to assess how the AF is implemented within these two levels. The MTS 2 Implementation Plan also makes provision for increased AF-TERG engagement in Fund events, such as project monitoring missions and knowledge sharing.

21. The AF-TERG will continue to build its awareness of the external context, including UNFCCC processes, critical developments in the overall climate change adaptation and climate finance evaluation fields, and experiences of other comparable organizations.

Resource efficiency:

22. The overall budget and personnel capacity of AF-TERG and its Secretariat remain key considerations in informing the scope of work. While the AF-TERG Secretariat is planning to apply more efficient ways of procuring evaluation services – for instance, through the increased use of corporate vendors that can deal with various aspects of the management of the evaluations compared to individual consultants, further consideration towards strengthening the delivery capacity of the AF-TERG and its Secretariat will be needed as part of the new work programme design. The AF-TERG is undertaking an in-house lesson-learning exercise from WP1, including a self-assessment of its work, which will become an input into the peer review of the AF-TERG, scheduled for the initial phase of WP2.

Further consultations

23. Over the next few months, the AF-TERG proposes to undertake follow-up consultations with key Fund stakeholders to develop the finer details of its next work programme, with fully costed options.

Recommendation

24. Having considered the draft approach paper for the AF-TERG's next multi-year work programme, the Ethics and Finance Committee may want to consider requesting the AF-TERG:

- i. To proceed with further consultations with members of the Ethics and Finance Committee and with the AFB Secretariat to refine a shortlist of thematic priorities.
- ii. With respect to decision B.38/48, to prepare a draft second work programme for the period 2025-2027 for consideration by the Ethics and Finance Committee at its thirty-third meeting, including an analysis of its budget implications in line with the Evaluation Policy and the MTS Implementation Plan.
- iii. To develop a multi-year budget of implementing the work programme, for inclusion in the annual administrative budget of the AF-TERG and its Secretariat for consideration by the Ethics and Finance Committee.
- iv. To submit to the Ethics and Finance Committee at its thirty-third meeting, a revised Terms of Reference for the AF-TERG that fits its refreshed roles and responsibilities under the Evaluation Policy and in line with implications arising from delivering WP2.

Annex 1: Draft – Initial shortlist of topics for Evaluation

(These ideas have emerged from the survey and the rapid evaluation study in 2023)

	Emerging ideas
<p>Macro: Fund’s Mission</p> <p>To assist developing country parties that are particularly vulnerable to the adverse effects of climate change.</p>	<p>1. Country Ownership: The extent to which the Adaptation Fund has been impactful, supportive, and responsive to country needs; extent of Country ownership; comparison of operations supported through the different types of implementing entities.</p> <p>2. Vulnerability: How the AF resources have reached the needs of the most vulnerable faster and more impactfully. An assessment of vulnerability for different target groups and the interrelations between them.</p> <p>3. Strategic positioning: What is the evolving niche and comparative advantage of the AF in the climate finance architecture; what are the Synergies and Coordination with other climate funds?</p>
<p>Meso: Strategic level</p> <p>(instruments, policies, governance, and guidelines)</p>	<p>4. Compliance with ESP and GP: Assess to what extent the Environmental and Social Policy (ESP) and Gender Policy (GP) have been implemented, what lessons learned, assess policy quality and impact (e.g. any changes in the internal processes and policies of the Implementing Entities, how they have influenced the sustainability of project outcomes) what adjustments are needed to mainstream the policies into design, implementation, monitoring and evaluation of projects.</p> <p>5. Contribution of the Fund’s operations to adaptation effectiveness at the country level. (could be grouped in 1 above)</p> <p>6. The relevance of funding windows to country priorities.</p> <p>7. The costs of accreditation from a point of view to efficiency.</p> <p>8. Other Thematic Topics:</p> <ul style="list-style-type: none"> • Real time evaluation on AF work (adaptation to heat, work in fragile / conflict-vulnerable or conflict-affected settings, in specific sectors, in SIDS) • Behavioural change for Climate Change Adaptation • Potential for scaling up adaptation from local to sub-national and national adaptation, with a bottom-up approach. • Assessment of the human, social and ecological sustainability of AF project and programme interventions. • Scope, interoperability and support in the consolidation of adaptation monitoring and evaluation systems/components.
<p>Micro: Operational</p> <p>(Project level information and data)</p>	<p>9. Locally-Led Adaptation for reduced vulnerability and increased resilience. The role of local players in impact and sustainability. Local players’ capacities as a potential barrier for locally-based and locally-led climate change adaptation. How does the level of engagement and</p>

	<p>participation influence project outcomes? Synergies and tensions between national and local processes.</p> <p>10. How can operational support to IEs be strengthened? [e.g. Some IEs can take a long time to develop, finalize, and implement projects/programmes without some support from the AF].</p> <p>11. Intersectional approaches to equity and vulnerability in projects design and implementation.</p> <p>12. Basic ingredients for scalability.</p>
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Annex 2: Key Deliverables for WP2 (FY 2025-2027) - draft for discussion

		Year 1 (July 2024- June 2025)	Year 2 (July 2025-June 2026)	Year 3 (July 2026-June 2027)
Workstream 1: Generation of Evaluations	<i>Management responsibility (Conducting Strategy and Project/Programme Evaluations)</i>			Overall Evaluation of the Fund (including peer-review of the TERG), submitted early August 2026 (60 days before the 47 th meeting of the Board in October 2026).
			Mid term review of the Medium Term Strategy (IP p.45), presented to EFC in October 2025	
		2-4 ex-posts	2-4 ex-posts	2-4 ex-posts (approx. total 6-12 studies by Year 3)
		Real time evaluation(s) to support learning	Real time evaluation(s) to support learning	Real time evaluation(s) to support learning (approx. total 4-6 studies by Year 3)
		Pilot a semi-independent evaluation in collaboration with the Sec (ref. EP p.13) Readiness thematic evaluation (IP, p.36)		Thematic evaluation
	<i>Advisory responsibility</i>	Guidelines development [on the EP or related to the innovation indicators] (EP p.21, IP p.19) QA guidance (EP p.17)	Continue to develop and provide guidance based on emerging demand	Continue to develop and provide guidance based on emerging demand

		Templates and methods (EP p.33)		
	<i>Oversight responsibility</i>	Participation in monitoring missions (IP p.31) Tracking of evaluation recommendations (EP p.33) Synthesis of Final Evaluations.	Participation in monitoring missions (IP p.31) Tracking of evaluation recommendations (EP p.33)	Review of the Evaluation Policy Participation in monitoring missions (IP p.31) Tracking of evaluation recommendations (EP p.33) Synthesis of Final Evaluations.
Workstream 2: Utilization of Evaluations		<ul style="list-style-type: none"> • Increased knowledge work on evidence-based results in collaboration with the AFB Sec (IP p.25) • Joint knowledge management products/workshops with the AFB Sec on evidence-based adaptation (4 events) (IP p. 27) • Joint AF-TERG and AFB Secretariat events (organized under readiness) on KM and RBM on M&E Socialization (for IEs) (IP p.29) • Contribution to the knowledge management system of the Fund (EP p.18, IP p.46) • Contribution to the Global CCA discussions (EP p.21) • Participation in UNEG 		
Workstream 3: Evaluation Capacity Development		<ul style="list-style-type: none"> • Contribution to the evaluation capacity development of Secretariat Staff, IEs, CSOs, other stakeholders (EP p.19) • Participation in country exchanges (IP p.31) • Capacity building webinars and trainings (EP ref p.21-22) • Collaboration with the readiness programme to increase evaluative capacity (EP p.19) • Development of networks for south-south evaluation sharing (EP p. 21-22) • Evaluative capacity exchange with other organization (EP p.21-22) 		

List of abbreviations

EP	Evaluation Policy
IP	Implementation Plan of the Second Adaptation Fund Medium-Term Strategy (MTS2)
KM	Knowledge management
RBM	Results-based management