



ADAPTATION FUND

AFB/B.41-42/12
21 March 2024

Adaptation Fund Board

**UPDATED MANAGEMENT RESPONSE AND ACTION
PLAN TO THE RAPID EVALUATION OF THE
ADAPTATION FUND**

Background

1. At its thirty-ninth meeting, the Adaptation Fund Board (the Board) considered the matter of “Options for the Overall Evaluation of the Fund” as contained in the document AFB/EFC.30/11 prepared by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG). Through decision B.39/57, the Board decided:

- (a) *To take note of the report and the options presented in document AFB/EFC.30/11;*
- (b) *To adopt a phased approach to the overall evaluation, proceeding urgently with a rapid evaluation and undertaking a comprehensive evaluation at a later stage, with a view to contributing to the development of the Adaptation Fund’s medium-term strategy for 2028–2032;*

With respect to the rapid evaluation, the Board decided:

- (c) *To request the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG):*
 - i. *To prepare terms of reference for the rapid evaluation in line with option 1, for the consideration of the Ethics and Finance Committee during the intersessional period between its thirtieth and thirty-first meetings and, if needed, to present the detailed financial implications of the rapid evaluation for the consideration of the EFC at its thirty-first meeting;*
 - ii. *To prepare the rapid evaluation, in line with option 1 and on the basis of the terms of reference referred to in paragraph (c) (i) above, and to submit it for the consideration of the Board, no later than 60 days before the forty-first meeting of the Board;*
- (d) *To request the secretariat to prepare a draft management response to the rapid evaluation for consideration by the Board at its forty-first meeting;*

Furthermore, with respect to the comprehensive evaluation, the Board decided the following:

- (e) *To request the AF-TERG:*
 - i. *To prepare terms of reference for the comprehensive evaluation in line with option 3 and detailed financial implications of the comprehensive evaluation for the consideration of the Ethics and Finance Committee at its thirty-fourth meeting;*
 - ii. *To prepare the comprehensive evaluation in line with option 3 and on the basis of the terms of reference referred to in paragraph (e) (i) above and to submit it for the consideration of the Board, no later than 60 days before the forty-seventh meeting of the Board;*
- (f) *To request the secretariat to prepare a draft management response to the comprehensive evaluation for consideration by the Board at its forty-seventh meeting.*

(Decision B.39/57)

2. In accordance with decision B.39/57, paragraph (c) (ii) above, the AF-TERG prepared the rapid evaluation as part of the overall evaluation of the Fund as contained in document AFB/EFC.32/6.

3. As per decision B.39/57, paragraph (d) above, the secretariat prepared a draft management response as contained in document AFB/EFC.32/8. The report provided an initial management response identifying to what extent the Secretariat agrees or disagrees with the findings of the rapid evaluation, provided an update on actions already being undertaken to address some of the findings, and included an annex with specific responses to the findings.

4. At its forty-first meeting, the Board decided to:

- (a) *Take note of the key findings and evidence gaps at the respective macro, meso and micro levels in the rapid evaluation synthesis framework and the inputs from the rapid evaluation for the preparation of the future comprehensive evaluation as contained in the report on the rapid evaluation of the Adaptation Fund referred to in chapter 7 of document AFB/EFC.32/6/Rev.2, as well as the discussion during the thirty-second meeting of Ethics and Finance Committee (EFC) and forty-first meeting of the Board and the management response contained in document AFC/EFC.32/8 when developing the terms of reference of the comprehensive evaluation of the Fund to be prepared in accordance with decision B.39/57;*
- (b) *Request the secretariat, in consultation with the Technical Evaluation Reference Group of the Adaptation Fund, to prepare an action plan to respond to the findings arising from the rapid evaluation mentioned above, for consideration by the Board during the intersessional period between the forty-first and forty-second meetings of the Board; and*
- (c) *Request the secretariat to report to the EFC, at its thirty-third meeting, on the progress made in implementing the action plan.*

(Decision B.41/31)

Updated management response and actions for the rapid evaluation findings

5. In accordance with decision B.41/31, paragraph (b) above, the secretariat prepared, in consultation with the TERG, an updated management response and action plan to respond to the finding arising from the rapid evaluation, as contained in present document AFB/B.41-42/12.

6. This document presents an updated management response and proposed actions to be taken, specifying the designated body in charge of taking each action, and estimated timeframe for the implementation of each action, to address each finding included in the rapid evaluation. Overall, the secretariat reconfirms its position for each finding, therefore the below section elaborates on the applicable findings only (not those to which the secretariat disagrees as there are no associated actions to be taken).

Findings for the macro level

7. The secretariat reconfirms its position by overall agreeing with the main findings under the macro level and remains available to follow any further guidance by the Board on addressing any specific item.

Finding 1.1. - The Fund is responsive to country needs, aligning with national and local policies and strategies relevant to climate change adaptation (CCA) and involving local players. Funding through National Implementing Entities (NIEs) remains limited. Locally-led adaptation (LLA) appears to be effective in operational practice but also faces inherent challenges due to weak

capacities of local players.

8. Secretariat's updated response: As part of the new funding windows under MTS-II, the Fund seeks to increase its support to local actors including through the LLA window and an expanded readiness programme, that offers a more comprehensive capacity building approach for the Fund's Implementing Entities – and NIEs especially – and the Designated Authorities. In addition to regular exchange with the Fund's Implementing Entities and Designated Authorities, the secretariat is enhancing the Accreditation system to allow a more user-friendly interface as well as specific toolkits on AF access for Designated Authorities. Furthermore, lessons learned from the operationalization of the Adaptation Fund Climate Innovation Accelerator (AFCIA) will be considered for the establishment of the LLA funding window.

Finding 1.2 - Fund policies, namely Environmental and Social Policy (ESP) and Gender Policy (GP) have systematically addressed the most vulnerable and have enabled higher quality project proposals. The Fund has not yet implemented an intersectional approach to vulnerability and has yet to systematically and strategically address the distinct requirements of fragile and conflict-affected countries.

9. Secretariat updated response: As part of the updated GP that includes the concept of intersectionality, to which IEs are recommended to apply in the design of the project proposals, the secretariat is planning to provide capacity building to its IEs by launching an online course on gender mainstreaming, that incorporates the concepts and benefits behind intersectional approaches in adaptation and will continue to liaise with partner organization to showcase the integration and understanding of intersectionality in internal policies and project portfolios.

10. On the matter related to the need for the Fund to “systematically and strategically address the distinct requirements of fragile and conflict-affected countries”, the secretariat reconfirms its position as described in the initial management response to the rapid evaluation findings' document (AFB/EFC.32/8). Taking fragility reduction as an objective would imply a strategic emphasis and neither the Parties nor the Fund's current operational policies and guidelines (OPG) provide such categorization of countries, which would systematically differentiate the Fund's support to countries in different categories, such as fragile and conflict affected countries. The secretariat remains, however, available to engage with AF-TERG and welcomes any guidance from the Board with the view of exploring ways to better assess the resilience building taking into account specific contexts. As part of its knowledge and learning work, the Fund has recently published a study on addressing climate change adaptation in fragile-settings and conflict-affected countries with case studies from the AF portfolio, including recommendations for future actions.

Finding 1.3 - The Fund's niche is well-defined in MTS-II (2023-2027) and followed many of the recommendations from the mid-term review (MTR) of the MTS-I. Ahead of MTS-II, the completion of the MTS-I (2018-2022) implementation plan showed slow progress in innovation and learning pillars, scalability constraints, and limited private sector involvement.

11. Secretariat updated response: the implementation of all pillars including, notably, the innovation and learning pillars has accelerated as reported in the management response and actions plan to the MTR-MTS, and the expansion of current funding windows and the establishment of new ones under MTSII, is building on lessons learned from the establishment of MTS-I funding mechanisms. To illustrate, currently, the innovation pillar alone includes a portfolio of around US \$43 million Board-approved for implementation.

12. The Fund is also placing more emphasis on enabling the scaling and replication of results,

with support from other climate funds and finance channels.

Findings for the meso level

13. The secretariat welcomes the findings of the rapid evaluation that looked at how the Fund's work has contributed to wider impact at the country level including to sectors and policies. However, many of the findings require further clarification.

Finding 2.1 - The Fund has implemented the ESP and GP effectively, contributing to coherence and quality. The integration of equity (empowerment of vulnerable groups and distribution of benefits among them) and gender considerations has been limited in the results framework and monitoring tools.

14. Secretariat updated response: Acknowledging the need for enhanced monitoring and reporting of results, the MTS-II stated that the Secretariat will provide comprehensive linkages between its strategic pillars, utilizing indicators and a template to be approved by the Board as part of a revised strategic results framework (SRF). The revised SRF, to be submitted for the Board's consideration and approval at the upcoming Board meeting, will strengthen gender-responsive elements, by including specific indicators with a required disaggregation by gender, youth and indigenous group, whenever feasible. Following the approval of a revised SRF, the project performance report (PPR) template, will be revised and section on the GP compliance will be further strengthened to better respond to the updated GP and Action Plan, as well as the recently adopted Gender Score Card (GSC). The latter will be presented to the Board as part of the Annual Performance Report.

Finding 2.2 - Through the MTS-II, the Fund has improved its understanding of systemic challenges influencing its performance and impact. For example, it has identified six cross-cutting themes. A comprehensive approach to ownership, adaptation effectiveness, and capacity-building for local players has not been operationalized, for example, through guidelines.

15. Secretariat updated response: All funded projects are based on country-specific needs and priorities and must first be endorsed by the country's Designated Authority of the Fund. In addition, the Fund continues to support national ownership, through its strong focus on direct access, and on local actors, with the enhanced direct access and LLA funding windows. As part of the LLA window development, a specific guidance document will be developed and related capacity building events for the Fund's IEs will be carried out.

Finding 2.4 - The Fund's underlying logic is not fully articulated in the Theory of Change in MTS-II. It remains unclear how different processes and modalities, including funding windows, contribute to the Strategic Pillars.

18. Secretariat updated response: The secretariat would welcome further clarification and input towards better structuring the Theory of Change. An improved Theory of Change could be explored, for instance, as part of the MTS-II MTR. The MTR of MTS-II could also support the strengthening of operational modalities and the implementation plan of MTS-II. Furthermore, the establishment of new funding windows will continue to take into account lessons learned from the establishment and operationalization of funding windows under MTS-I, on an ongoing basis, whenever applicable.

Findings for the micro level

Finding 3.1 - Projects completed and reviewed by final evaluations show strong relevance and coherence of projects supported by the Fund. The documents provide evidence on criteria related to effectiveness, efficiency, impact, and adaptive management in varied quality and quantity. Furthermore, the final evaluations do not systematically discuss the implication on equity considerations, scalability and sustainability for CCA. Most of the evidence from final evaluations (FEs) reflects on projects that were designed and approved at the beginning of the Fund's operations and ahead of both MTS cycles.

16. Overall, the secretariat agrees with the finding 3.1. The newly adopted evaluation policy and its guidance notes will support the systematic inclusion of equity considerations, scalability – whenever feasible – and sustainability of interventions in evaluation reports. In addition, the upcoming update of the Fund's results framework constitutes an opportunity to further strengthen these elements in line with the proposed finding 3.1. The secretariat will support the TERG, as appropriate, in the sensitization and capacity building events planning on the approved EP and guidance notes and will update guidance documents and RBM tools following the approval of the revised SRF of the Fund.

Conclusion and next steps

17. The proposed updated management response and action plan is submitted for the Board's consideration and could be updated based on the Board guidance.

18. The secretariat will continue its collaboration with the AF-TERG to integrate lessons learnt described in the rapid evaluation and any further guidance from the Board as part of the approved findings.

Proposed Decision

19. Having considered document AFB/B.41-42/12, the Adaptation Fund Board may want to consider and decide to:

- (a) Take note of the updated management response and action plan as contained in document AFB/B.41-42/12;
- (b) Request the secretariat to report on the progress on implementation of the action plan at the [thirty-fifth] meeting of the Ethics and Finance Committee.

Annex I: Updated management response and action plan to key findings of the Rapid Evaluation of the Adaptation Fund

Macro level	1.1	<p><i>Overall finding</i> Finding 1.1 – The Fund is responsive to country needs, aligning with national and local policies and strategies relevant to climate change adaptation (CCA) and involving local players. Funding through National Implementing Entities (NIEs) remains limited. Locally led adaptation (LLA) appears to be effective in operational practice but also faces inherent challenges due to weak capacities of local players. <i>Secretariat position:</i> Partially agreed</p>			
	Updated management response		Proposed action to be taken	Body in charge	Timeframe
	The Fund has pioneered direct access and continues to make effort to expand its support to NIEs including the Board approved 50% CAP to MIEs. Through its readiness program, the Fund provides dedicated support to NIEs and local actors to strengthen their capacity including through a dedicated community of practice of direct access entities (CPDAE).		Proposals to the Board of a framework for additional funding modalities for LLA as outlined in the implementation plan of the MTS.	Secretariat	In April and October 2024
	As part of the new windows under the new MTS, the Fund seeks to expand its support to NIEs and local actors including through the dedicated locally led adaptation window as well as an expanded readiness programme that extends technical assistance that reaches local players at the sub-national level and additional support to country designated authorities. Lessons learned from the operationalization of AFCIA will be considered for the establishment of the LLA funding window		Awareness raising activities and capacity building to IEs for advancing LLA.	Secretariat	Throughout FY25
			Designing and rolling out new technical assistance grants to cover monitoring and reporting, and DA capacity.	Secretariat	4 th quarter FY24 and throughout FY25
		Introducing writing workshops for NIEs and RIEs based on training manuals for regular, innovation and EDA project funding windows, including LLA funding modalities.	Secretariat	Throughout FY25	
Macro level	1.2	<p><i>Overall finding</i> Finding 1.2 - Fund policies (Environmental and Social Policy [ESP] and Gender Policy [GP]) have systematically addressed the most vulnerable and have enabled higher quality project proposals. The Fund has not yet implemented an intersectional approach to vulnerability and has yet to systematically and strategically address the distinct requirements of fragile and conflict-affected countries. <i>Secretariat position:</i> Partially agreed</p>			
	Updated management response		Proposed action to be taken	Body in charge	Timeframe

<p><u>(1) Intersectionality</u> The benefits of an intersectional approach to address vulnerability at a more granular level, need to be considered in the context of keeping complexity manageable. Given the evolving concept of ‘intersectionality’ and various approaches to apply it in adaptation interventions, the AF started addressing it in the context of its gender policy, and updated its GP and introduced ‘intersectionality’ which its IEs are highly recommended to apply, as much as possible, particularly at the project development stage, such as when conducting a gender assessment and environmental and social risk assessment, as well as selecting gender-disaggregated targets considering intersecting socio-economic factors. Instead of setting the intersectionality which would be new to several IEs as a mandatory requirement throughout the project lifecycle, the updated GP took rather a gradual and practical approach, requesting the IE to apply the intersectional approaches at least in developing funding proposal (particularly in the aforementioned areas).</p> <p>To support the IEs helping them better understand, test and apply intersectional approaches, a comprehensive study on intersectional approaches in adaptation-related measures has been conducted and published, and updated AF gender guidance document which includes a section dedicated on ‘how to address the intersectionality at the project proposal development and gender assessment’ providing some examples for applying an “intersectional” approach in projects. The Fund will consider the experiences of addressing intersectionality in the context of gender and based on that may broaden the scope to other areas.</p> <p><u>(2) Special requirements of fragile and conflict- affected countries</u></p>	<p><u>(1) Intersectionality</u> Launch of e-course on gender mainstreaming, throughout the Adaptation fund project or programme life cycle, that incorporates the concepts and benefits behind intersectional approaches in adaptation. Capacity-building and training to IE on GP, Gender Guidance Document, updated SRF and other standards to understand intersectionality. Liaise with partner organizations to showcase integration and understanding of intersectionality in internal policies and portfolios.</p> <p><u>(2) Special requirements of fragile and conflict-affected countries</u></p>	<p>Secretariat</p> <p>Secretariat</p> <p>Secretariat</p>	<p>March 2024</p> <p>Throughout FY25</p> <p>Throughout FY25</p>
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<p>This suggestion will benefit from further clarification. Although the AF Evaluation Policy states that “projects will newly be evaluated also on their sensitivity to conflict and fragility,” this is not yet a “distinct requirement” in other stages such as project proposal development and proposal review criteria.</p> <p>Despite the recognition of the importance of this element, the Board decided not to add this element in 2022 when it updated SPPG considering that paragraph 15 of the SPPG mirrors the CMP decision. Therefore, this is not a distinct requirement related to projects/programmes, except for ‘evaluation.’</p> <p>Therefore, currently, the ‘conflict and fragility’ exists as a distinct requirement at the ‘evaluation’ stage, and perhaps, it may help the IEs to address this if TERG, or TERG in collaboration with the AFB secretariat provide more guidance on how to evaluate and report on ‘conflicts and fragility’ in the AF funded projects and programmes. Based on existing guidance by the Parties and the Board, the appropriate approach to this would be one that does not create new categories of countries but one that can be applied as across all recipient countries.</p>	<p>The secretariat completed a study on addressing climate change adaptation in fragile-settings and conflict-affected countries with case studies from the AF portfolio, including recommendations for future actions.</p>	<p>Secretariat</p>	<p>4th quarter FY24</p>
<p>Macro level</p>	<p>1.3 <i>Overall finding</i> Finding 1.3 - The Fund's niche is well-defined in MTS-II (2023-2027) and followed many of the recommendations from the MTR of the MTS-I. Ahead of MTS-II, the completion of the MTS-I (2018-2022) implementation plan showed slow progress in innovation and learning pillars, scalability constraints, and limited private sector involvement. <i>Secretariat position: Partially agreed</i></p>		
<p>Updated management response</p>	<p>Proposed action to be taken</p>	<p>Body in charge</p>	<p>Timeframe</p>
<p>The secretariat agrees that the AF has a strong role and comparative advantage, as articulated in the MTS II based on stakeholder views and MTR findings. However, the secretariat disagrees and reiterates that the innovation in particular as well as learning windows have been</p>	<p>Proposal to increase learning grant amount to \$500K for an increased uptake and possibility to bundle up with other funding windows, potentially innovation small window and subsequent updating of</p>	<p>Secretariat</p>	<p>FY24-FY25</p>

<p>accelerated since the MTS MTR, as also evidenced by the Fund's current portfolio. In the secretariat's view, under MTS I substantive progress was achieved under all pillars.</p>	<p>learning/awareness raising materials for learning grants to reflect the change.</p>		
<p>Given that innovation and learning were completely new pillars at the start of MTS I, the secretariat and stakeholders consider the successful operationalization of an entire new innovation facility with three funding windows/grant modalities including indicators and definition for innovation in the context of the AF, with a growing portfolio of projects under implementation in all three funding windows (8 innovation small grants and one innovation large grant approved) as well as four learning grants approved and numerous learning materials on how to access the various grants, as notable achievements.</p>	<p>Knowledge publications with lessons learned from AF portfolio by sector/theme (ex: urban resilience, lessons from LDC countries, lessons learned from SIDS, etc.)</p>	<p>Secretariat</p>	<p>FY24 (April 2024) and FY25</p>
<p>The AF has launched the windows, raised awareness and built capacity among IEs, and generated a portfolio of approved projects and active pipeline.</p>	<p>E-learning courses on LLA, Readiness package and gender mainstreaming in projects/programs</p>	<p>Secretariat</p>	<p>FY24-FY25</p>
<p>The MTS II is building on these lessons learned and successes and is expanding these areas.</p>	<p>Knowledge exchanges for innovation between NIEs/MIEs.</p>	<p>Secretariat</p>	<p>FY25</p>
<p>For instance, to accelerate the implementation progress of the innovation pillar, the secretariat is prepared to: (i) focus more efforts on assisting developing countries in identifying potentially suitable entities to implement innovation projects; (ii) developing the capacity of such entities; and (iii) explore the feasibility of vetting innovation capacities of applicant IEs in the accreditation process.</p>	<p>Knowledge fairs for NIEs around a certain theme</p>	<p>Secretariat in collab w/ IEs</p>	<p>FY25</p>
<p>Further, the Adaptation Fund Climate Innovation Accelerator (AFCIA) has been expanded, by adding IEs (WFP and UNIDO) that will implement programmes (alongside UNDP and UNEP-CTCN) which will increase the reach towards nonaccredited grant applicants/recipients.</p>	<p>Joint events between KM and AF CSO for dissemination of lessons.</p>	<p>Secretariat in collab w/ AF CSO Network</p>	<p>FY25</p>
<p>The Fund is also placing more emphasis on enabling the</p>	<p>Implementation, monitoring and awareness events on expanded AFCIA programmes.</p>	<p>Secretariat</p>	<p>Throughout FY25 and beyond</p>
	<p>Organization of writing workshops for NIEs and RIEs based on training manuals for innovation projects funding windows, among others (<i>see proposed action under finding 1.1</i>)</p>	<p>Secretariat</p>	<p>Throughout FY25</p>
	<p>Strengthening collaboration with other climate funds and/or exploring new partnerships to enable scaling and replication of AF funded projects, whenever feasible (e.g., Strengthen the AF-CGF scale-up framework)</p>	<p>Secretariat</p>	<p>Throughout FY25</p>

scaling and replication of results, with support from other climate funds and finance channels.				
Macro level	1.4	<p><i>Overall finding</i></p> <p>Finding 1.4 - Both MTS enable portfolio evolution around three strategic pillars with a results focus. Furthermore, the MTS II and its implementation plan (launched in January 2023) provides opportunities to deepen key outcomes in Action (Strategic Pillar 1, SP1) while accelerating progress in Innovation (SP2) and Learning & Sharing (SP3).</p> <p><i>Secretariat position: Agreed</i></p>		
Updated management response		Proposed action to be taken	Body in charge	Timeframe
N/A		N/A	N/A	N/A
Meso level	2.1	<p><i>Overall finding</i></p> <p>Finding 2.1 - The Fund has implemented the ESP and GP Policies effectively, contributing to coherence and quality. The integration of equity (empowerment of vulnerable groups and distribution of benefits among them) and gender considerations has been limited in the results framework and monitoring tools.</p> <p><i>Secretariat position: Partially agreed</i></p>		
Updated management response		Proposed action to be taken	Body in charge	Timeframe
<p>As included in the Fund's OPG and policies (ESP and GP), the support to vulnerable groups is the backbone of the fund's mandate and modalities.</p> <p>The secretariat has been working on a revision of the Fund's Strategic Results Framework (SRF) to be submitted for consideration at the forty-second Board meeting. This provides an opportunity to better mainstream gender elements. This update will also clarify the integration of equity (empowerment of vulnerable groups and distribution of benefits among them).</p> <p>In addition, the secretariat monitors the projects support to vulnerable groups including through a dedicated section in the project performance report (PPR). The PPR has a respective section dedicated to report on Gender Policy (GP) compliance and Environmental and Social Policy (ESP) compliance as well as a section on lessons learned where GP related lessons can be reported.</p>		<p>Inclusion/strengthening of gender disaggregated indicators as part of the revisions of the Fund's SRF.</p> <p>Provision of capacity building to IEs through dedicated learning events on the updated SRF and reporting requirements.</p> <p>Presentation of the Gender Scorecard to the AF Board, included in the Fund's Annual Performance Report, and identification of relevant findings/lessons.</p>	<p>Secretariat</p> <p>Secretariat</p> <p>Secretariat</p>	<p>April 2024 (Paper to be submitted for Board's consideration and approval)</p> <p>Quarter 4 FY24 and quarter 1 and 2 FY25</p> <p>October 2024</p>

<p>Additionally, the secretariat recently developed the Fund's Gender Scorecard and started its pilot application to monitor and annually report on GP compliance and gender progress, at entry, during implementation, and at exit at the AF's portfolio level.</p>				
Meso level	2.2	<p><i>Overall finding</i> Finding 2.2 - Through the MTS-II, the Fund has improved its understanding of systemic challenges influencing its performance and impact. For example, it has identified [six] cross-cutting themes. A comprehensive approach to ownership, adaptation effectiveness, and capacity-building for local players has not been operationalized, for example, through guidelines. <i>Secretariat position: Partially agreed</i></p>		
Updated management response		Proposed action to be taken	Body in charge	Timeframe
<p>The secretariat would like further clarification and a rationale underlying this finding. As part of its OPG and review criteria, the Fund requires IEs to demonstrate the country ownership including through DA endorsement of any request for funding as well as the strong focus by the Fund on local actors including through the enhanced direct access and locally led adaptation funding windows. As part of the new LLA window, the secretariat is currently working a set of guidelines including eligibility criteria, review template and other aspects of the LLA funding window. Lessons learned from the establishment and operationalization of AFCIA will be considered for the establishment of the LLA facility.</p>		<p>New LLA modalities with review criteria and guidelines for implementing the LLA principles will be developed.</p>	<p>Secretariat</p>	<p>April 2024 (LLA funding widow modality and review criteria submitted for the Board's consideration and approval)</p> <p>Quarter 4 FY24 and throughout FY25 (Capacity building to IEs)</p>
Meso level	2.3	<p><i>Overall finding</i> Finding 2.3 - The Fund's work aligns with national strategies and policies through direct access and selection of topics for support for actions. <i>Secretariat position: Agreed</i></p>		

Updated management response		Proposed action to be taken	Body in charge	Timeframe
N/A		N/A	N/A	N/A
Meso level	2.4	<p><i>Overall finding</i> Finding 2.4 - The Fund's underlying logic is not fully articulated in the MTS-II Theory of Change. It remains unclear how different processes and modalities, including funding windows, contribute to the Strategic Pillars. <i>Secretariat position: Disagreed</i></p>		
Updated management response		Proposed action to be taken	Body in charge	Timeframe
<p>The purpose of MTS-II ToC is to link the activities and outputs under the strategic pillars and themes to the Fund's mission and overarching goals of the international community. Under the different pillars there is detailed information on activities, including funding windows, as well as linkages between pillars. The secretariat disagrees that funding windows should contribute to strategic pillars.</p> <p>Rather the MTS-II defines outcomes and outputs under the strategic pillars, which are supposed to be achieved by activities, and these outcomes and outputs contribute to achieving the Fund's mission. The additional ToC statement explains why the strategic pillars and cross-cutting themes are appropriate to help achieve the Fund's mission based on the best available science.</p>		Additional substantial clarifications are needed in order to consider further steps.	TERG	At MTR
Micro level	3.1	<p><i>Overall finding</i> Finding 3.1 - Projects completed and reviewed by final evaluations show strong relevance and coherence of projects supported by the AF. The documents provide evidence on criteria related to effectiveness, efficiency, impact, and adaptive management in varied quality and quantity. Furthermore, the final evaluations do not systematically discuss the implication on equity considerations, scalability and sustainability for CCA. Most of the evidence from final evaluations (FEs) reflects on projects that were designed and approved at the beginning of the Fund's operations and ahead of both MTS cycles. <i>Secretariat position: Agreed</i></p>		
Updated management response		Proposed action to be taken	Body in charge	Timeframe

<p>Concerning equity considerations, the secretariat has commissioned the independent review of the Adaptation Fund Environmental and Social Policy (ESP), which was considered during the forty-first Board meeting and at the forty-second meeting the Board will continue its consideration on the possibility of updating the ESP. This update could also strengthen ESP principle 2 on “Access and Equity”.</p> <p>For the quality at entry, the secretariat will explore further options to systematically include the equity considerations, scalability, and sustainability for CCA as part of the project review.</p> <p>Further, following the entry into force in October 2023 of the newly approved Evaluation Policy (EP), the TERG developed a set of guidance notes, including those for both project mid-term reviews and final evaluations. These specify that evaluation reports should measure the overall impact, effectiveness, efficiency, sustainability, replicability, scale-up, and lessons learned of a Fund-financed project.</p> <p>Finally, the secretariat has been working on updating the Fund’s strategic results framework (SRF), to be submitted for the Board’s consideration at its forty-first meeting. The proposed revisions constitute an opportunity to further strengthen these elements in line with the proposed finding 3.1.</p>	<p>Capacity building activities to sensitize the approved EP guidance notes.</p> <p>Finalization of Fund’s SRF update following comprehensive stakeholder consultations and Board approval of the proposed revisions.</p> <p>Update of guidance documents and RBM tools</p>	<p>TERG/Relevant units of Secretariat</p> <p>Secretariat/Board</p> <p>Secretariat</p>	<p>FY24 and first half of FY25</p> <p>April – October 2024</p> <p>April – October 2024 or shortly thereafter.</p>
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