



ADAPTATION FUND

AFB/EFC.33/10
12 April 2024

Adaptation Fund Board
Ethics and Finance Committee
Thirty-third meeting
Bonn, Germany 16-17 April 2024

**APPROACH TO THE DESIGN OF THE TERMS OF REFERENCE FOR THE
COMPREHENSIVE EVALUATION OF THE ADAPTATION FUND AND THE MIDTERM
REVIEW OF THE SECOND MEDIUM TERM STRATEGY OF THE ADAPTATION FUND**

Background

1. At its thirty-ninth meeting, the Adaptation Fund Board (the Board), having considered the recommendation of the Ethics and Finance Committee (EFC), decided:

...

(e) To request the Technical Evaluation Reference Group of the Adaptation Fund (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;”

(Decision B.39/57)

2. Additionally, through its decision B.40/72 the Board decided to *“request the Technical Evaluation Reference Group of the Adaptation Fund [AF-TERG] to undertake a mid-term review of the medium-term strategy for 2023–2027 and its implementation plan and to present a report to the Board for consideration at its forty-sixth meeting”*.

3. Following these decisions, the AF-TERG propose to include these evaluations as part of its second multi-year work programme (FY25-FY27), as presented in Document AFB/EFC.33/.6, and ensured that its draft work programme is designed in a way that can support the preparation and execution of the two evaluations.

4. In order to initiate the development of the ToRs of both evaluations in a consultative manner and seek feedback from EFC and the Board, AF-TERG has developed this approach paper summarizing the overall approach and emphasizing the interlinkages between the two evaluations.

5. This approach paper considers viewpoints from across various stakeholder groups and integrates the existing body of evaluative and research work from the Fund. It is intended to ensure that the ToRs for these two evaluations will deliver useful, relevant, and innovative insights and forward-looking recommendations.

6. The paper also contains draft overarching evaluation questions and methodology for each of the two evaluations. Together, these are starting points for the development of the ToRs, which are expected to evolve through further consultations with stakeholders in the ensuing weeks.

7. Finally, given the level of complexity of these two activities and based on previous experience in commissioning evaluations, the AF-TERG proposes to start the process of ToR development earlier than requested by the Board and present the TOR of the Comprehensive Evaluation and its financial implications intersessionally during the period between the forty-second and forty-third meetings of the Board.

Recommendation

8. Having considered the paper titled “Approach to the design of the Terms of Reference for the comprehensive evaluation of the Adaptation Fund and the midterm review of the second medium term strategy of the Adaptation Fund” contained in Annex 1 of document AFB/EFC.33/10, the Ethics and Finance Committee (EFC), may wish to recommend to the Board to decide:

- a) To take note of the proposed approach contained in Annex 1 of document AFB/EFC.33/10 and request the AF-TERG to continue with the preparation of the Terms of Reference (TORs) of the Comprehensive Evaluation of the Adaptation Fund and the mid-term review of the second Medium-Term Strategy of the Adaptation Fund.
- b) To present the draft ToRs for the Comprehensive Evaluation of the Adaptation Fund and its financial implications for consideration by the EFC during the intersessional period between the forty-second and forty-third meetings of the Board.



**Technical Evaluation
Reference Group**
ADAPTATION FUND

ANNEX 1:

**APPROACH TO THE DESIGN OF THE TERMS OF REFERENCE FOR
THE COMPREHENSIVE EVALUATION OF THE ADAPTATION FUND
AND
THE MIDTERM REVIEW OF THE SECOND MEDIUM TERM STRATEGY OF THE
ADAPTATION FUND**

11 April 2024

I. Introduction

This document presents the background, approach, and key concepts and elements to the development of the terms of reference (ToRs) for two evaluations: (i) the Mid-term Review ('MTR') of the Adaptation Fund's Mid-term Strategy 2023-2027 ('MTS2') and (ii) the Comprehensive Evaluation ('CE') of the Adaptation Fund ('AF' or the 'Fund'). The main purpose of this approach paper is to seek feedback from the Ethics and Finance Committee ('EFC') of the Board at its thirtieth second meeting in April 2024, the Board at its forty-second meeting in April 2024, and the AF Board Secretariat, and to receive further guidance from the EFC on way forward.

The proposed approach is a response to the Board's request to the Adaptation Fund Technical Evaluation Reference Group (AF-TERG) through Board Decision B.39/57 (October 2022) to prepare the ToR for the Comprehensive Evaluation in line with the Board's preferred option along with detailed financial implications for EFC's consideration at its thirty-fourth meeting (October 2024). The evaluation should be presented to the Board sixty days prior to its forty-seventh meeting (October 2026). The paper is also prepared in response to Decision B.40/72 (March 2023) which requested the AF-TERG to undertake the MTR of the MTS2 and its Implementation Plan and deliver it to the Board's forty-sixth meeting (March 2026). Given the interdependencies between the MTR of the MTS2 and the Comprehensive Evaluation set forth in the subsequent sections of this paper, one coherent approach for the ToRs development is proposed. Also given the level of complexity of these two activities, the AF-TERG proposes to start the process earlier than requested by the Board and present the TOR of the Comprehensive Evaluation and its financial implications intersessionally between the forty-second and forty-third meetings of the Board.

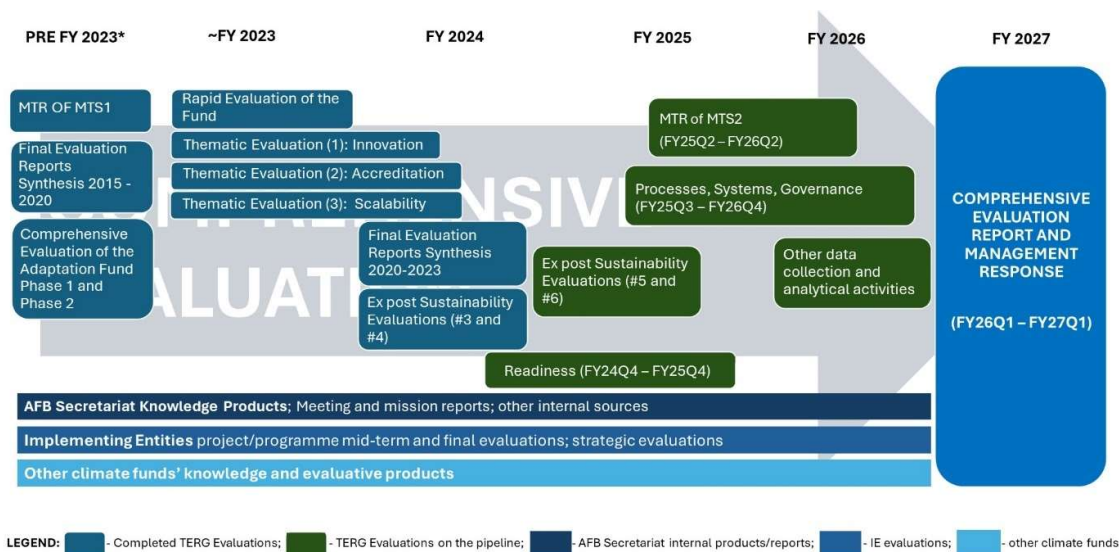
This approach paper considers viewpoints from across various stakeholder groups and integrates the existing body of evaluative and research work from the Fund. It is intended to ensure that the ToRs for these two evaluations will deliver useful, relevant, and innovative insights and forward-looking recommendations. The paper also contains draft overarching evaluation questions and methodology for each of the two evaluations. Together, these are starting points for the development of the ToRs, which are expected to evolve through further consultations with stakeholders in the ensuing weeks.

II. Background

Through decision B.39/57, the Board requested the AF-TERG to prepare a Comprehensive Evaluation of the Fund to be delivered by August 2026 (60 days prior to the forty-seventh meeting of the Board) and, through decision B.40/72 – a mid-term review (MTR) of the Fund's Mid-term Strategy 2023-2027 (MTS2) and its Implementation Plan, which is to be presented at the forty-sixth meeting of the Board (March 2026). Following these decisions, the AF-TERG proposed to include these evaluations as part of its second multi-year work programme (FY25-FY27) (presented at the forty-second meeting of the Board) and ensured that its draft work programme is designed in a way that can support the preparation and execution of the two evaluations.

At the thirty-ninth meeting of the Board (October 2022), it was decided, based on a proposal contained in the options paper¹ that the Comprehensive Evaluation will be conducted through a “phased approach”. Consequently, in the first phase, a Rapid Evaluation of the Fund² was undertaken with a view to inform the Comprehensive Evaluation and identify areas with sufficient evidence and those with insufficient evidence (evidence gap mapping). The Comprehensive Evaluation proposes to take a building block approach that triangulates inputs from across different evidence streams, such as the Rapid Evaluation conducted in FY23, other studies conducted prior to FY23 undertaken by the AF-TERG and the AF Board Secretariat, the upcoming MTR of the MTS2, thematic evaluations, knowledge products from the AF Board Secretariat, evaluations from implementing entities and other climate funds, as well as other research and evaluations necessary to fill additional gaps identified through different processes. Figure 1 below provides an overview of the flow and building blocks comprising the Comprehensive Evaluation culminating in the the Comprehensive Evaluation report to be finalized in August 2026.

Figure 1. Building Blocks of the Comprehensive Evaluation



On the other hand, the decision related to the MTR of the MTS2 (Decision B.40/72) did not include specific guidance on the process or methods (other than the deadline for the evaluation presentation) and delegated to the AF-TERG to develop this further. This approach paper proposes key questions for the MTR of the MTS2 and looks into the way it will link to the key questions of the Comprehensive Evaluation. Thus, as illustrated in Figure 1 above, the MTR of the MTS2 serves as a key direct input into the Comprehensive Evaluation overall process and the Comprehensive Evaluation report. Finally, it should be emphasized that the MTR focuses specifically on MTS2 and its Implementation Plan, while the Comprehensive Evaluation covers various aspects of the Fund as a whole.

¹ AFB/EFC.30/11. Options for the Overall Evaluation of the Fund (AF-TERG, Oct. 2022)

² See document AFB/EFC.32/.6/Rev.2 which was presented to EFC at its thirty-second meeting in Bonn, Germany in October 2023

III. Approach to the Terms of Reference development for the two evaluations

The ToRs will be prepared in an iterative and consultative manner. The first step is underway, culminating in the presentation of this approach paper to the Board's forty-second meeting (April 2024). The second step is the drafting of the ToRs, to be informed by further consultations, including but not limited to those with additional implementing entities and the civil society, scheduled for April-May 2024. The two ToRs will highlight their mutual interdependencies, as well as the interdependencies between the actual evaluations. The ToRs are planned to be finalized by June 2024. The RFP for the MTR of the MTS2 will be launched in late June 2024 with the expectations that the MTR of the MTS2 starts in October 2024. The RFP for the Comprehensive Evaluation is expected to be launched in September 2024 with the expectation that this evaluation starts in January 2025.

IV. Purpose and context of the evaluations

The Comprehensive Evaluation will inform the Fund's future directions, operations, and decision-making. At the same time, the MTR of the MTS2 will provide inputs into the development of the next medium-term strategy, MTS3, which is expected to be adopted in FY27 and become operational in 2028 for a period of five years. Both evaluations take into consideration and respond to the following:

- The aforementioned Board decisions.
- United Nations Framework Convention on Climate Change discussions on climate change adaptation, particularly the Global Goal on Adaptation process and reporting.
- Learning and accountability functions to inform the decision-making of the Fund with a view to contribute to the improvement of its operations, mission, and niche.
- The implementation and achievements under the MTS1 and MTS2 three pillars and the MTS2's six cross cutting themes to test evaluations questions and organize results.
- The nine evaluation criteria of the AF Evaluation Policy to provide a framework on what should be assessed and guide the development of the evaluation questions.
- The existing evidence and gaps identified through the Rapid Evaluation as the first step in the phased preparation of the Comprehensive Evaluation.
- Priorities and gaps identified through a survey of AF stakeholders conducted by the AF-TERG in June 2023.
- The AF-TERG second multiyear work programme.

V. The Comprehensive Evaluation

The options paper on the Comprehensive Evaluation³ indicated that, based on consultations with Fund stakeholders and for the purpose of learning and accountability, the Comprehensive Evaluation will offer insights into how the Fund could be more impactful,

³ AFB/EFC.30/11. Options for the Overall Evaluation of the Fund (AF-TERG, Oct. 2022)

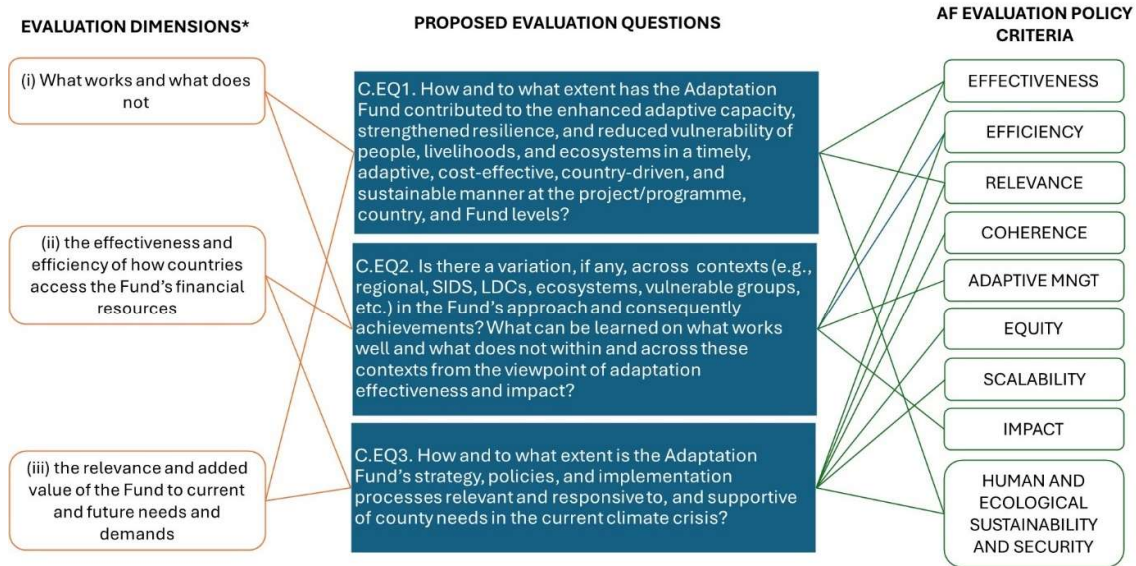
supportive of, and responsive to country needs, and how it could reach the needs of the most vulnerable faster and more impactfully. The Comprehensive Evaluation, therefore, proposes to look across the spectrum of Fund operations. It will cover the period commencing April 2017 (as the first CE covered the period up to March 2017) until the start of the final phase of the Comprehensive Evaluation activities (a cut-off will be defined during evaluation inception but would most likely be June 2026 (the end of FY26)),

Figure 2 presents the three dimensions that the Comprehensive Evaluation will assess, as presented in the options paper⁴ (Options Paper). Each of these dimensions is linked to AF Evaluation Policy criteria and will be assessed using three key questions.

To produce insights based on credible evidence, the ‘building blocks’ of the Comprehensive Evaluation need to be brought together under one coherent framework guided by overarching evaluation questions (as presented in Figure 1).

Consistent with the methodological discussion specified in the options paper⁵ and the guidance by the Board in decision B.39/57, the Comprehensive Evaluation, when collecting new data and conducting new analysis (beyond the analysis and integration of completed building blocks), will include a combination of data collection and analytical methods of quantitative and qualitative nature. To ensure the credibility and robustness of the Comprehensive Evaluation, it is recommended that both primary and secondary data are collected and used. Hence, the main methodological options should rest on the triangulation of evidence and knowledge, with additional primary data collection to be undertaken on the ground to cover gaps to be identified.

Figure 2. Evaluation dimensions, key questions for the Comprehensive Evaluation, and AF Evaluation Policy evaluation criteria



*Dimensions as per the options paper

A consulting firm will be hired to implement this analysis and identify gaps (based on the evidence gap analysis done in the context of the Rapid Evaluation and beyond), fill in these gaps with additional work, prepare the report, and implement the necessary stakeholder

⁴ Ibid.

⁵ Ibid.

consultation processes around the Comprehensive Evaluation. It is expected that the RFP for this evaluation will be published in September 2024 following the feedback from EFC on the ToR, with the expectation that the evaluation will start in January 2025. After preparing an inception report, literature review of existing evidence from other climate funds and discussions on the Fund's Theory of Change.

It is important to also note that Decision B.39/57 required the comprehensive evaluation to follow Option 3, which in turns requires the commissioning of a separate evaluation on the processes, systems and governance of the Fund to feed into the Comprehensive Evaluation. This evaluation is planned to start in the second half of 2025 and continue until June 2025.

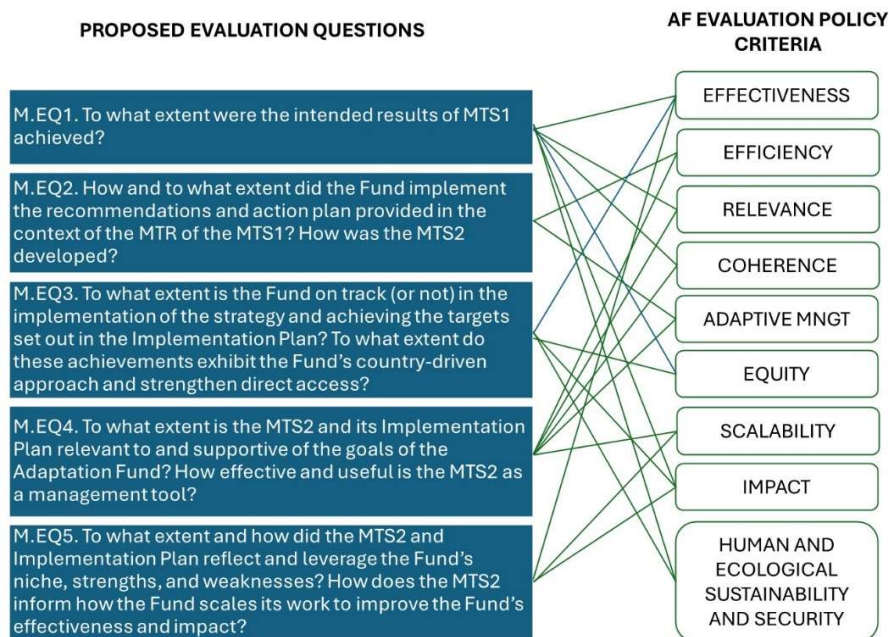
The AF-TERG will provide regular updates to the EFC through the reports on the updates of the execution of the AF-TERG work programme at every EFC meeting up to March 2026 and will finalize and present the Comprehensive Evaluation Report by August 2026 (as requested by the Board) for final deliberations at the EFC and Board meetings in October 2026.

VI. The Mid-Term Review of the Second Medium-Term Strategy

To feed into the Comprehensive Evaluation, the MTR of the MTS2 will focus on assessing the Fund's strategy; the funding windows, accreditation, scaling, and innovation as well as how the MTS2 supports the Fund's niche and strengths in the evolving climate finance landscape.⁶ It will focus on the elements of processes and results related to the development and implementation of the MTS2 and its Implementation Plan and will take stock of the results of the MTS1. Specifically, the MTR of the MTS2 includes five key evaluation questions, which are linked to the AF Evaluation Policy criteria (Figure 3).

⁶ The Comprehensive Evaluation report will discuss this topic, building on the MTR2, but from a broader point of view, beyond the MTS2 contribution.

Figure 3. Key evaluation questions for the MTR of the MTS2 (MTR2) and links to the AF Evaluation Policy evaluation criteria



The MTR of the MTS2 will also use a combination of qualitative and quantitative approaches such as key informant interviews, group discussions, and secondary data, information, and content analysis. When a review is undertaken at mid-term, it is important that primary stakeholders such as the secretariat and representatives of the Board are reached and consulted adequately both for data collection and reflection/learning purposes.

The MTR of MTS2 will assess the period between the end of the MTS1 implementation period (December 2023) and the initial implementation period of MTR of the MTS2 activities (a cut-off will be defined during the evaluation inception but most likely will be the end of June 2025, i.e. the end of FY25).

The RFP for MTR of MTS2 will be launched in June 2024 with the expectation that the selected consulting firm could start work in September 2024. The inception report will be completed by the end of 2024 and the data collection and analysis will take place in the period January - May 2025. The final MTR of the MTS2 report will be prepared by February 2026 to be presented to the Board at its forty-sixth meeting in March 2026.

VII. Summary and next steps

The interrelationship between the MTR of the MTS2 and the Comprehensive Evaluation is reiterated and displayed in Figure 4. In this figure, the cumulative nature of the Comprehensive Evaluation that has been discussed above cannot be fully reflected but it needs to be kept in mind that the whole body of work of the AF-TERG as well as internal secretariat knowledge products and other documents and IE evaluations will provide the evidence for answering these questions.

The budgetary implications of the MTR of MTS2 and the Comprehensive Evaluation have been discussed in the AF-TERG second multi-year work programme (Document AFB/EFC.33/.6). The ToRs development process will use the proposed evaluation questions as a starting point, to be refined further during the ensuing consultation process. The exact methodology and approaches will be developed and agreed together with the vendors (consulting firms) selected to conduct each of the evaluations, once contracted.

Figure 4. Overarching Evaluation Questions for the Comprehensive Evaluation and MTR of MTS2 and their relationship

