

GEF Council Meeting  
November 16 – 18, 2010  
Washington DC

Agenda Item 9

## **MANAGEMENT RESPONSE TO THE EVALUATION OF THE STRATEGIC PRIORITY FOR ADAPTATION - 2010**

**(Prepared by the GEF Secretariat)**

## GENERAL COMMENTS

1. The Secretariat has taken note of the Evaluation of the Strategic Priority for Adaptation (SPA) – 2010 prepared by the Evaluation Office. The report was mandated by the GEF Council at its 38th meeting in November 2008, and provides an independent assessment of the SPA strategy, implementation and quality of projects, and identifies lessons on how to increase the resilience of GEF supported projects.

2. The Secretariat welcomes the main conclusions of the evaluation, in particular that the SPA has succeeded in fulfilling its mandate to “*establish pilot or demonstration projects to show how adaptation planning and assessment can be practically translated into projects that will provide real benefits, and may be integrated into national policy and sustainable development planning on the basis of information provided in the national communications, or of in-depth national studies, including NAPAs and of the staged approach endorsed by the Conference of the Parties[COP] in its decision 11/CP.1,*”<sup>1</sup> while at the same time assuring that the funded projects were consistent with the principles of the GEF Trust Fund, including criteria concerning incremental costs and Global Environmental Benefits (GEBs). The evaluation further concludes that the SPA portfolio represents a satisfactory degree of diversity in terms of sectors, themes and regions covered, that projects have generally been consistent with the objectives of the SPA, including the criteria outlined in the SPA guidelines<sup>2</sup>, and that most adaptation measures funded under the SPA are “no regret” options.

3. We are also pleased that the evaluation concludes that the “*SPA initiative has the potential, to varying degrees, of providing climate resilience to \$780 million of investments.*” With \$50 million pilot, the SPA project portfolio has leveraged \$780 million of co-financing, and thus has had a significant catalytic effect.

4. The Secretariat takes note of the evaluation’s finding that it is still too early in the portfolio’s stage of implementation to derive any consistent conclusion on the progress of implementation on-the-ground. This evaluation can therefore only be considered an initial, but encouraging, look at the effectiveness of the SPA process and the consistency of the portfolio with COP guidance and Council decisions. The Secretariat would welcome a more comprehensive evaluation of the SPA portfolio’s impact once a critical mass of projects in the SPA portfolio have closed.

5. The Secretariat also takes note that the evaluation found evidence of gradual mainstreaming of adaptation and resilience concepts and measures in focal area strategies as they evolved from GEF-3 to GEF-5. There are however, a number of factors that still prevent the integration and mainstreaming of climate change adaptation across the GEF focal areas from becoming fully effective. We further note that the evaluation identifies a number of shortcomings in the management of the SPA portfolio, mostly related to the operationalization of Monitoring and Evaluation frameworks, internal coordination and approval mechanisms, and the creation of a dedicated learning mechanism for SPA

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<sup>1</sup> UNFCCC decision 6/CP.7.

<sup>2</sup> GEF/C.27/inf.10

projects. The evaluation also concludes, however, that such shortcomings are mostly attributed to overambitious expectations in the original SPA guidelines combined with the limited resources allocated for such purposes. As noted by the evaluation, such shortcomings can still be overcome as the SPA portfolio—still in its early stages of implementation—and the Secretariat will work with the GEF Evaluation Office, Agencies, and STAP to address the identified shortcomings.

6. The Secretariat agrees that the Adaptation Learning Mechanism (ALM), which was intended as the key mechanism for achieving this function, did not focus on the SPA projects and lessons specifically as originally intended, effectively leaving the SPA without a dedicated learning mechanism<sup>3</sup>. The Secretariat is now developing a Knowledge Management strategy for its adaptation portfolio. Concerning the remarks made in paragraph 32 of the evaluation report in which it is stated that: *“Given the relative weight of SPA contributions as compared to total project budgets (6%), the adaptation portions of SPA projects are quite limited in scope. Hence the pilot demonstrations are usually also very localized, and the “investment-type” activities are limited,”* the Secretariat would like to emphasize that the primary focus of most of SPA projects is on on-the-ground investments and pilot demonstrations – acknowledged indirectly by the evaluation report in several of its conclusions such as the SPA’s performance in terms of meeting the COP mandate and SPA operational guidelines (which emphasizes the delivery of ‘real benefits’). Since the SPA is designed to fund the incremental costs of making GEB’s resilient to climate change, comparing the SPA contribution to ‘total project budgets’ does not provide an adequate estimate of the amount contributed to adaptation pilots and investments. ‘Total project budgets’ include the entire baseline investment into which climate change adaptation is to be mainstreamed, and thus, by definition do not include adaptation investments or pilots. In other words, a more realistic measure of SPA’s contribution to the adaptation effort would exclude the baseline investment, as the baseline investment includes activities beyond adaptation, strictly speaking. In that case, a rough estimate of the proportion of such components in SPA project is probably closer to 40-50%. Likewise, the claim that pilot demonstrations are ‘localized’ and ‘limited’ can be disputed on the similar grounds, and especially, since the SPA was at the outset designed as a pilot, it should be judged on the amount of relevant learning it has generated rather than based on the geographic scale of the activities.

## RESPONSE TO RECOMMENDATIONS

7. We support the recommendation that the GEF should continue to provide incentives to carry on the mainstreaming of resilience and adaptation into the GEF focal areas, and note that some of the proposals for achieving this may include the application of screening tools and safeguards, as well as the mobilization of further financial incentives. The Secretariat has started to address some of the factors that still prevent the integration and mainstreaming of climate change adaptation across the GEF focal areas, including:

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<sup>3</sup> The UNDP, which is not in full agreement with the Secretariat’s view on this point, has submitted its views as presented in Annex 1.

- (a) The GEF Secretariat taking the first steps to create a screening tool for adaptation as outlined in GEF/C.35/inf.7 – “Incorporating Climate Change Adaptation into GEF Projects”;
- (b) The STAP is preparing a (currently in draft) study clarifying the scientific rationale of reducing climate change risks and enhancing resilience of the GEF focal areas and;
- (c) The GEF Secretariat is exploring possibility of providing financial incentives, both through strategic priorities in each GEF focal area and through the use of resources from the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) during GEF-5.

8. The Secretariat takes note of the evaluation’s recommendation to develop a full learning framework or strategy to capture lessons from SPA projects, a Monitoring and Evaluation Framework at the portfolio level for the SPA and guidelines for conducting mid-term and final evaluations for adaptation projects. The Secretariat will work with the Evaluation Office to develop guidelines for mid-term and final evaluations for adaptation projects; this is included in the FY 2011 LDCF/SCCF RBM work-plan. In addition, the Secretariat is in the process of developing a comprehensive knowledge management strategy in collaboration with the Agencies, STAP, and the EO, for the GEF partnership. One of the main purposes of such a strategy is to develop a systematic process for reporting on and utilizing lessons learned. Finally, the Secretariat has developed a comprehensive Monitoring and Evaluation Framework for adaptation including the newly developed ‘Adaptation Monitoring and Assessment Tool (AMAT)’,<sup>4</sup> a tracking tool that will systematically track the progress of certain adaptation indicators on a portfolio level. While this framework and tool was developed specifically for the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), both would also apply to the needs of the SPA.

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<sup>4</sup> Please refer to documents: GEF/LDCF.SCCF.9/inf.4 and GEF/LDCF.SCCF.9/inf.5

## Annex 1

### Adaptation Learning Mechanism (ALM) Response to the Evaluation of the SPA Prepared by UNDP

UNDP thanks the GEF EO for its work in preparing the evaluation reports on the SPA program.<sup>5</sup> UNDP wishes to comment on the following reference in the reports regarding the Adaptation Learning Mechanism (ALM): “As a learning pilot, the SPA was expected to generate lessons for future adaptation programming in and outside the GEF. The Adaptation Learning Mechanism, which was intended as the key mechanism for achieving this function, did not focus on the SPA projects and lessons specifically as originally intended, effectively leaving the SPA without a dedicated learning mechanism.”<sup>6</sup>

First – as per the GEF Council approved project, the ALM was not originally intended to solely focus on SPA projects.<sup>7</sup> The project goal of the ALM project was more broadly to, “contribute to the mainstreaming of adaptation to climate change within development planning of non-Annex I countries” with the key objective to “provide tools and establish a learning platform for mainstreaming adaptation to climate change within the development planning of GEF eligible countries.”<sup>8</sup> Operationally, the project was tasked to “produce a core set of deliverables aimed at meeting the knowledge needs of both the GEF and the broader adaptation community.”<sup>9</sup> The ALM portal ([www.adaptationlearning.net](http://www.adaptationlearning.net)) therefore includes codified knowledge based on and in support of 147 LDCF, SCCF, and SPA financed projects, as well as other non-GEF financed projects.

Second – the extent of SPA-related information is informed by the current status of implementation of SPA projects. As noted by the GEF EO, “as a young portfolio, the SPA has so far generated limited lessons on implementation of adaptation measures.”<sup>10</sup> Given the operational reality of other SPA projects, the ALM platform contains knowledge and information as available and is possible to codify with credibility. As SPA projects mature, it will be possible to capture additional knowledge and further develop the *learning platform for mainstreaming adaptation to climate change within the development planning of GEF eligible countries*. However, this is unlikely to occur under the current operational and financial arrangements that underpin the ALM as this project has run its course and is due for closure in December.

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<sup>5</sup> ‘Evaluation of the GEF Strategic Priority for Adaptation’ (GEF/ME/C.39) of 4 October 2010; and ‘Evaluation of the Strategic Priority for Adaptation (SPA) - Full Evaluation Report Prepared by GEF Evaluation Office’ (Full Evaluation Report) of 5 October 2010.

<sup>6</sup> Paragraph 70 of GEF/ME/C.39; paragraph 46 of Full Evaluation Report.

<sup>7</sup> GEF ID: 2557 -

<http://www.gefonline.org/ProjectDocs/Climate%20Change/Global%20Adaptation%20Learning/MSP%20final.pdf>. The project proposal was reviewed by GEF Council on 15 June 2005 and approved by the CEO on 12 July 2005.

<sup>8</sup> ALM Project Proposal, April 2005, p. 6.

<sup>9</sup> ALM Project Proposal, April 2005, p. 6.

<sup>10</sup> Paragraph 55 of GEF/ME/C.39; paragraph 33 of Full Evaluation Report.