



# ASSESSING THE EFFECTIVENESS OF CLIMATE RESILIENCE GRANTS TO LOCAL GOVERNMENTS IN LEAST DEVELOPED COUNTRIES

AYESHA DINSHAW AND COLLEEN MCGINN

## EXECUTIVE SUMMARY

### Highlights

- Effectively addressing climate change requires paying attention to the local level. The Local Climate Adaptive Living Facility (LoCAL) mechanism of the United Nations Capital Development Fund (UNCDF) provides performance-based climate resilience grants to local authorities in Least Developed Countries to finance adaptation interventions.
- UNCDF's system includes an Annual Performance Assessment designed to ensure accountability, sound local-level public administration, and good governance as well as demonstrate adaptation mainstreaming. UNCDF felt this assessment could be strengthened to better assess adaptation effectiveness.
- To strengthen LoCAL, World Resources Institute (WRI) created the Assessing Climate Change Adaptation Framework (ACCAF). While designing the ACCAF, WRI identified three major challenges: incorporating good practice in adaptation monitoring and evaluation (M&E) into the existing performance-based climate resilience grant system; addressing measurement issues inherent in mainstreamed adaptation; and balancing country-specific and portfolio-wide adaptation M&E needs. This paper explains these challenges and the solutions proposed to address them.
- While the ACCAF is specific to LoCAL, the experience gained through its development can be applied to adaptation M&E more broadly. This paper outlines insights and lessons learned from designing the ACCAF that are relevant to a global audience. Donors, practitioners, and local authorities can use these lessons to inform future programming.

## CONTENTS

Executive Summary .....	1
Introduction .....	6
The Assessing Climate Change Adaptation Framework.....	7
M&E Challenges Addressed by the ACCAF .....	10
Conclusion .....	15
Appendix A: About LoCAL .....	17
Appendix B: Designing the ACCAF .....	18
Endnotes .....	19
References .....	19

*Working Papers contain preliminary research, analysis, findings, and recommendations. They are circulated to stimulate timely discussion and critical feedback and to influence ongoing debate on emerging issues. Most working papers are eventually published in another form and their content may be revised.*

**Suggested Citation:** Dinshaw, A. and C. McGinn. 2019. "Assessing the Effectiveness of Climate Resilience Grants to Local Governments in Least Developed Countries" Working Paper. Washington, DC: World Resources Institute. Available online at <https://www.wri.org/publication/assessing-effectiveness-climate-resilience-grants-local-governments-least-developed>.

## Background

**Climate change impacts vary from place to place, as can appropriate solutions, so what is required to adapt to the effects of climate change varies dramatically.** Effectively responding to specific climate risks requires local authorities to play an important role in adaptation (UNCDF 2018). However, local authorities may struggle with resource and capacity limitations that hinder their ability to understand and plan for climate risks as a matter of urgency. In Least Developed Countries, these issues are especially acute: Although local authorities are well-positioned to identify local vulnerabilities, they may be focused on more immediate needs and often lack sufficient training and resources to take effective climate action (Musah-Surugu et al. 2017).

**UNCDF has been a global pioneer in innovative finance modalities and capacity building for local governments in developing countries, including by financing performance-based grants worldwide.** Performance-based grants aim to promote effective and efficient public administration. They incentivize performance improvements by awarding bonuses for effective grant and project management, verified by meeting predetermined annual targets. This incentive works best when the annual assessment focuses on verifying core local government performance areas, such as planning and public financial management (UNCDF 2010).

**UNCDF's LoCAL mechanism extends its performance-based granting mechanism to address climate change.** Since 2011, UNCDF has extended performance-based<sup>1</sup> grants to local authorities to address climate change adaptation through the LoCAL program. LoCAL currently operates in 13 Least Developed Countries and one developing country.<sup>2</sup> It delivers performance-based climate resilience grants that are paired with capacity building and support for adaptation. LoCAL operates at three levels—global, national, and local—through a portfolio of 14 countries, each with a program to coordinate local-level action, and grants that are channeled to partners that local authorities manage. By putting systems in place and building capacity for adaptation, LoCAL ultimately aims to help countries access international climate finance that will be directed to local governments.

**Integrating adaptation-specific M&E into LoCAL's grant system can help ensure that the interventions it finances effectively contribute to climate change adaptation.** Performance-based grants were originally designed to incentivize sound public administration in general, although they can be and are applied to specific themes, topics, or sectors globally. LoCAL's performance-based climate resilience grant system was built upon UNCDF's experience with this granting mechanism. As such, the original system specialized in good governance at the local level. To assist UNCDF in achieving its goal to more specifically capture contributions toward adaptation itself, WRI created the Assessing Climate Change Adaptation Framework. The ACCAF provides LoCAL-specific guidance and tools to better integrate adaptation—and measure it—across LoCAL's operations. Figure ES-1 outlines the steps by which the LoCAL mechanism works and how the ACCAF complements this existing system.

**Because LoCAL's performance-based climate resilience grants and processes are embedded within development, mainstreamed adaptation is a running theme throughout this paper.** Mainstreaming adaptation involves considering the effects of observed or anticipated climatic changes to inform government policies, plans, processes, and budgets (Casado-Asensio et al. 2016). Integrating adaptation into ongoing development efforts helps address the urgent climate change problem at scale. Moreover, mainstreaming adaptation within other workstreams can be more efficient because doing so makes use of existing institutional structures and processes (Huq and Ayers 2008; Lebel et al. 2012) and makes it possible to leverage large development-oriented financial flows for adaptation (Lebel et al. 2012).

## About This Working Paper

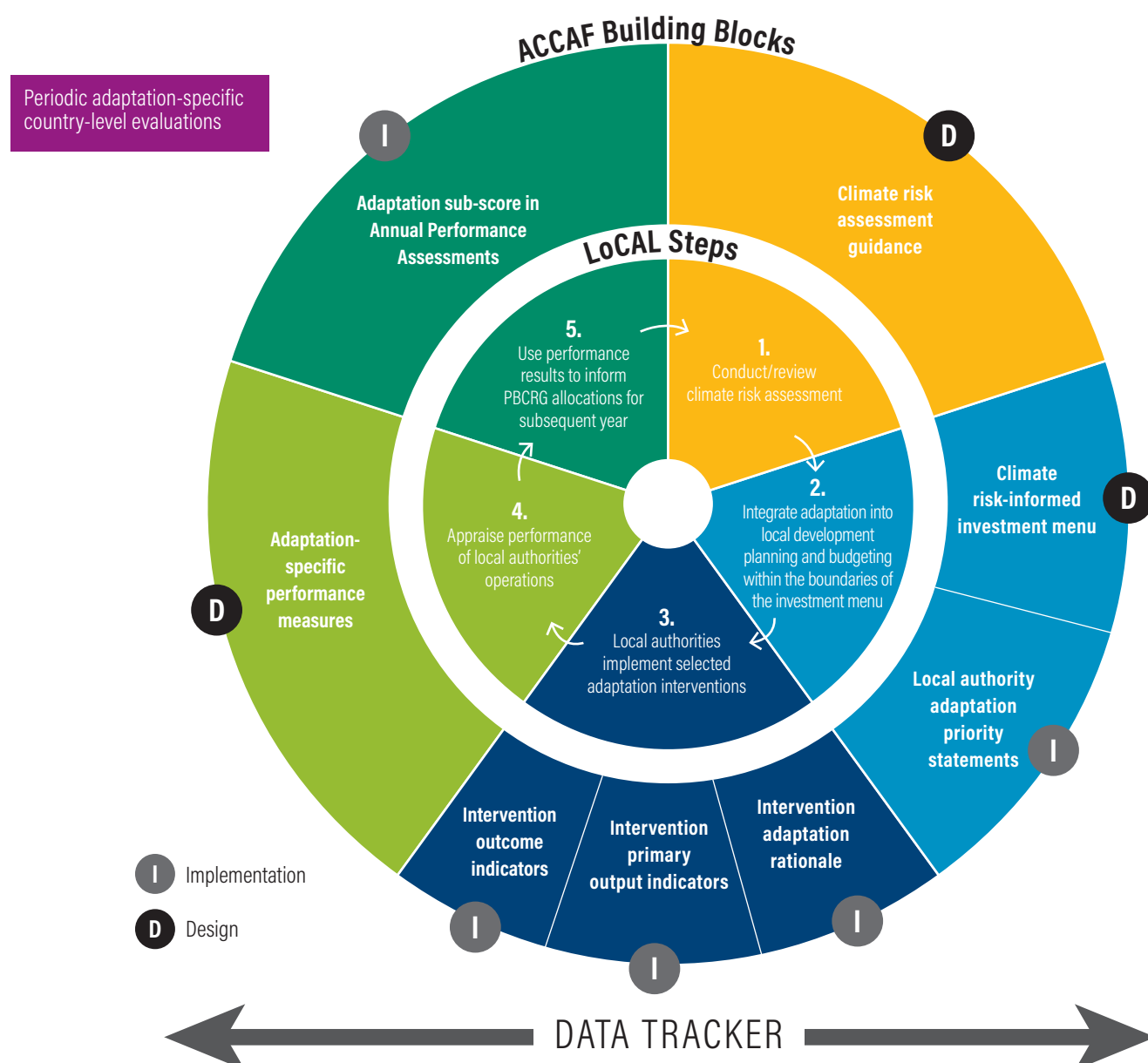
UNCDF engaged WRI to create an adaptation M&E framework to enable the LoCAL mechanism to more effectively address climate change and better understand and share these adaptation achievements. This working paper reflects the experiences of this project, focusing on three challenges faced along the way. The paper introduces both the LoCAL program and the ACCAF, but does not describe them in detail.<sup>3</sup> Instead, it focuses on methodological challenges and what solutions were chosen to address them. It also does not elaborate on why decisions about the M&E framework were made or what all the alternatives were, although some further details can be found in Appendix B.

This paper focuses on these higher-level messages to inform adaptation M&E practice more broadly by reflecting on how one agency navigated some of the critical issues faced by adaptation donors, program managers, and local governments engaging in adaptation M&E in developing countries. The authors recognize that ACCAF is not a perfect textbook application of good practice globally in adaptation M&E, but rather a real-world example of integrating adaptation M&E into practice based on an iterative exchange between the stakeholders involved.

## Key Findings

Figure ES-1 provides an overview of LoCAL's key existing steps and the complementary elements suggested by the ACCAF. The Building Blocks marked with a "D" are ACCAF's inputs into LoCAL's "design phase" products. During the design phase, LoCAL defines and tailors its program for operations within a country through policies, procedures, administrative arrangements, tools, guidance, and capacity development plans (UNCDF 2018). The Building Blocks marked with an "I" depict elements proposed by the ACCAF that address implementation of LoCAL initiatives. Each of these is described in further detail in the body of the paper.

Figure ES-1 | **How the ACCAF Complements the Existing LoCAL Steps**



Note: PBCRG stands for performance-based climate resilience grants.

Source: For LoCAL steps, UNCDF; for ACCAF elements, WRI.

The following adaptation M&E challenges came to the fore as the ACCAF was being crafted:

- **Incorporating adaptation M&E into a performance-based grant system.** Performance-based grants are designed to incentivize effective public administration and governance by rewarding good performance. This incentive works best when the assessment focuses on verifying tangible improvements on a timeframe of one or more years. Climate change, however, will stretch well past any normal programming cycle—even long-term ones—and this presents particular M&E considerations (Leiter 2015). At the same time, adaptation is highly contextual, and there are no universally recognized standardized indicators to serve as benchmarks of success. Crafting the ACCAF to advance fidelity to both the existing LoCAL system and good practice in adaptation M&E required a careful balancing of both sets of priorities.

The solutions proposed in the ACCAF to address this challenge include the following:

- At the global level, WRI provided input into LoCAL's logic model to strengthen it from an adaptation perspective and encouraged LoCAL to craft a more adaptation-centric Theory of Change.<sup>4</sup> At the country level, the ACCAF manual strengthens and reinforces LoCAL's guidance to country programs to help ensure that the interventions selected for funding are consistent with adaptation priorities.
- The ACCAF emphasizes two processes to help more explicitly link LoCAL's climate risk assessments to how it selects interventions to fund. One step is for the local authorities to identify a limited number of adaptation priorities that should be the basis for all interventions chosen. The second is that the authorities will be expected to articulate an adaptation rationale for each intervention selected. LoCAL already did this in some countries. However, the ACCAF helps standardize this good practice across LoCAL's global operations.
- At the foundation of LoCAL's existing approach is the Annual Performance Assessment, the basis for awarding bonuses for strong performance. These assessments include a series of well-defined benchmarks (termed performance measures) to gauge progress. While the ACCAF preserves LoCAL's existing approach to tailoring performance measures for each country context, it adds steps to identify which ones are explicitly pertinent to adaptation itself and to classify those indicators into global categories that were generated directly by LoCAL. These

categories are intended to help organize a diverse collection of indicators to facilitate global analysis. They can also help users see where gaps exist—for example, to see if their adaptation efforts are narrowly targeted on a few categories rather than across a spectrum of potential adaptation actions—which may prompt them to diversify their approach.

- Finally, the ACCAF suggests a series of periodic (every three years) adaptation-centric evaluations of the country programs. These are meant to complement the local-level Annual Performance Assessments by stepping back from everyday operations to critically assess how effectively LoCAL country programs are contributing to adaptation itself.

Confronting this set of challenges and developing these solutions highlighted that adaptation M&E itself needs to be adaptable, especially in the case of mainstreamed adaptation interventions. It requires effort on the part of those responsible for integrating adaptation M&E into an existing system to understand the nuances of existing systems and approaches, recognize the tensions and trade-offs between the existing system and the proposed M&E system, and be sensitive to broader agency priorities.

- **Addressing measurement issues in mainstreamed adaptation.** There is a good deal of overlap between adaptation and broader sustainable development aims. This provides ample opportunities for “win-win” and “no-regret” measures. However, when adaptation is integrated or mainstreamed into sectoral or local development policies and plans, one risk is that it gets lost amidst other priorities (Casado-Asensio et al. 2015; Käkönen et al. 2014).

The strategies proposed in the ACCAF that address this challenge include the following:

- The ACCAF proposes that every intervention selected for funding should be accompanied by an adaptation rationale. The manual includes a simple template with a standardized set of steps to arrive at the rationale and thereby help ensure fidelity to adaptation aims, nested within broader development goals.
- Each funded intervention will also be categorized according to how specifically it focuses on adaptation. The ACCAF Types of Adaptation Activities worksheet presents five categories: climate specific, climate smart, climate strategic, climate complementary, and awareness and capacity building. Reviewing these worksheets across all the localities



in a country can help describe the overall spread and scope of interventions and how focused they are on adaptation itself. It can also highlight potential areas for improvement or diversification if there is too much or too little emphasis on some of the categories.

- The ACCAF introduces a standard set of primary output indicators to apply to each intervention. Output indicators measure activities—for instance, number of people trained or meters of irrigation channel repaired. They are especially well-suited to demonstrate that interventions are on track in terms of meeting targets and to describe the reach of an intervention or portfolio. These indicators are not intended to assess the effectiveness of adaptation actions or demonstrate LoCAL’s global contribution to adaptation. They do, however, serve an essential function: to clearly demonstrate the scale and scope of LoCAL’s global interventions. Without this information, higher-level analysis may be constrained.
- The ACCAF also introduces additional, more adaptation-oriented indicators beyond the scope of the Annual Performance Assessments. Each written adaptation rationale is distilled into an adaptation outcome and accompanying outcome indicators. These indicators are contextual and specific to the individual interventions, ecosystem, and socioeconomic context. These indicators will feed into the country-level adaptation-centric evaluations proposed by the ACCAF.

This set of challenges and solutions embraces the principle that although climate change adaptation presents development co-benefits, in a mainstreamed adaptation program it is also important to demonstrate linkages specific to adaptation. For adaptation to be effectively mainstreamed, implementers need to be well-versed in adaptation and how it is distinguished from business-as-usual development. This may call for a strong and sustained focus on capacity building.

- **Balancing country-specific and portfolio-wide adaptation M&E needs.** Decision-makers across an organization have different information needs; data that are essential to people at one level of an agency may not be important to those at another. In the LoCAL program, the in-country staff most appreciate information that addresses their context-specific adaptation needs, while the global team that manages the LoCAL portfolio requires information that is relevant across countries and that can be aggregated across a diverse portfolio.

The solutions presented in the ACCAF include the following:

- During visits to the pilot countries, WRI conducted trainings on adaptation, LoCAL, and the ACCAF for LoCAL country staff and local authority employees. These trainings were underpinned by a suite of materials that can be adapted, translated, and shared by UNCDF to enable country-level and local-level stakeholders to gather, interpret, and use adaptation and adaptation M&E information.
- The Types of Adaptation Activities worksheet in the ACCAF categorizes funded interventions according to how they balance adaptation and development aims. As all the local authorities begin to fill out these worksheets and the countries compile them, the LoCAL global team will be able to review the spread of their grant portfolio.
- The ACCAF introduces some ways to guide the country to report basic adaptation data consistently. One example is a standardized list of primary output indicators (e.g., “number of meters of irrigation canal built”) to enable UNCDF to aggregate the outputs of interventions being funded by LoCAL’s grants and gauge progress of the performance-based grant system. Compiling basic key data consistently and systematically enables higher-level analysis and helps describe the global portfolio. These data needs are not specific to adaptation M&E but they do facilitate it.
- The outcome indicators identified as part of the adaptation rationale exercise will be assessed within a new series of adaptation-oriented country program evaluations. These evaluations will be key for global program learning about whether and how grants lead to adaptation outcomes and will demonstrate what is working well. These are data that LoCAL can use to demonstrate the effectiveness of its global operations.

All the above solutions were developed in conjunction with the LoCAL global team and three pilot countries, with the aim of ensuring maximum alignment with existing LoCAL systems, processes, and databases, as well as ease of use. The addition of new or standardized elements will no doubt increase the effort required in monitoring the performance-based climate resilience grants. This extra effort is justified because it will poise LoCAL to better assess its achievements and lessons learned, and ultimately contribute to an emerging global evidence base about effective adaptation action.

## INTRODUCTION

Climate change represents one of the gravest challenges of the 21st century, with far-reaching consequences across the globe. These include greater frequency and severity of extreme weather events as well as slower-onset environmental changes. Climate change can undermine achievements in sustainable development and increase risks to the poor and marginalized. Countries and communities are beginning to adapt to these changes, but the resources and capacity required to do so are often constrained, especially in developing countries.

The debate about whether and how a specific intervention counts as adaptation has challenged donors, policymakers, and adaptation practitioners for more than a decade. In 2007, the “adaptation continuum” was developed to show how a wide range of activities can count as adaptation (McGray et al. 2007). Ten years after developing the continuum, Hammill and McGray (2018) revisited it to reflect on a decade of global adaptation efforts. They concluded that they should have more strongly emphasized that long-term adaptation success means abandoning thinking in terms of adaptation *versus* development; instead, the focus should be on integrating adaptation meaningfully *into* development.

Because adaptation is profoundly contextual and linked with development, local governments are exceptionally well-poised to identify urgent or critical needs and to address them directly if resources are available. However, this is rarely the case: While local governments, particularly in Least Developed Countries, have the mandate to deliver services in climate-sensitive sectors such as water and agriculture, they seldom have budgets or capacities to address adaptation. And in the case of infrastructure interventions, which tend to be large scale in nature, local authorities often do not have the ability to influence decisions. The United Nations Capital Development Fund (UNCDF) created the Local Climate Adaptive Living Facility (LoCAL) to address this gap.

### UNCDF’s Model for Local-Level Adaptation Finance

UNCDF provides finance to reduce poverty and has a long track record of supporting local economic development by providing performance-based grants to local governments. Performance-based grants aim to promote effective public administration, particularly regarding grant and project management. They incentivize improvements by awarding a bonus for strong performance based on meeting predetermined criteria.

This incentive works best when the assessment focuses on verifying core local government performance areas, such as planning and public financial management (UNCDF 2010).

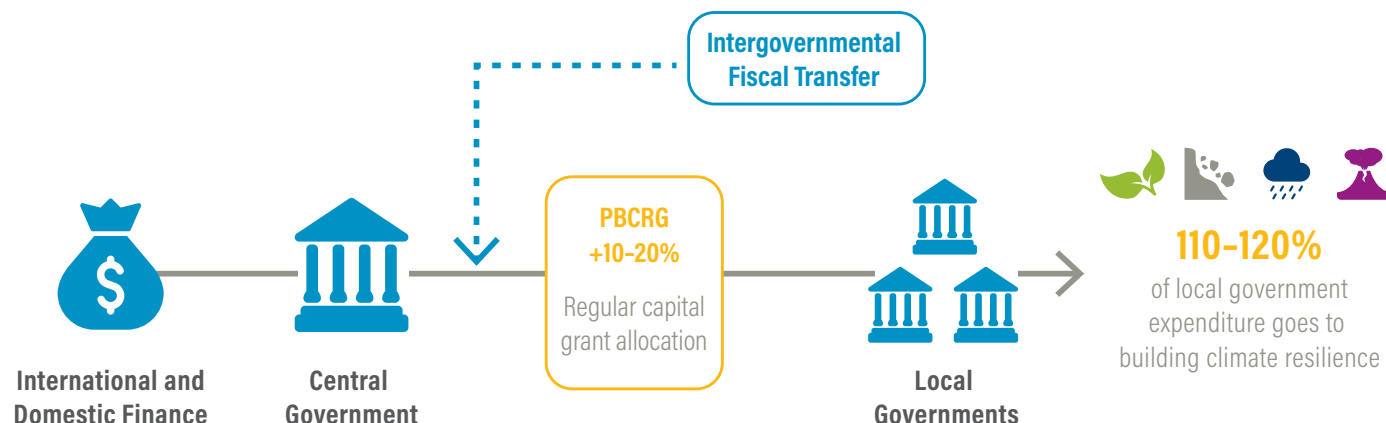
LoCAL is a platform that extends the performance-based grant model to finance climate change adaptation actions taken by local governments (see Appendix A for more information). Figure 1 explains how LoCAL grants work to build climate resilience. This figure shows how performance-based grants aim to cover the additional costs of making development climate resilient. The grants are channeled through existing fiscal transfer mechanisms and are disbursed as part of the local government’s regular budget. The grants add an additional 10–20 percent to the local governments’ regular capital grant allocations which can finance the adaptation elements of larger development projects, allowing for more holistic responses to climate change (UNCDF 2019).

Since 2011, UNCDF has partnered with 13 Least Developed Countries and one developing country across Asia and Africa.<sup>5</sup> It establishes a country program in partnership with the appropriate national-level government agency, and then that country program works with selected local governments to build their capacities on climate change adaptation and extend performance-based grants to address adaptation priorities. Over 2014–18, LoCAL delivered close to \$17 million, with grants and technical assistance to countries totaling \$11.9 million, and engaged with 107 local governments, reaching a population of over 6 million (UNCDF 2019).

LoCAL’s processes align with local planning cycles, and subnational authorities can use these grants for a range of adaptation measures, depending on their context and need. Examples of interventions funded by LoCAL’s performance-based grants include improving water sources and storage infrastructure, building bridges, and constructing drainage canals. In many cases, the grants provide “top up” money, which are extra funds intended to help ensure that infrastructure projects that are already being planned by the local authority are built to a higher standard that can better withstand the impacts of climate change. In other cases, LoCAL funds the entire cost of the climate-related intervention.

### Rationale for the Assessing Climate Change Adaptation Framework

Because LoCAL is fundamentally a funding mechanism, its original global logic model and the monitoring and evaluation (M&E) system that rested on this logic model had a strong emphasis on ensuring that the finance

Figure 1 | **How LoCAL Works**

Note: PBCRG stands for performance-based climate resilience grants.

Source: LoCAL Secretariat Africa. 2018. "LoCAL-izing" NDCs: Using LoCAL to Empower Local Governments in Contributing towards Achievement of Nationally Determined Contributions. Senegal: LoCAL, UNCDF.

moved appropriately and the local authorities were as well-equipped as possible to use these funds. LoCAL's Annual Performance Assessments lie at the foundation of LoCAL's performance-based grants and are the basis of awarding bonuses for strong performance. These assessments feed into allocation decisions for the next year, and it is therefore critical to ensure that a sufficient number of the performance measures used in these assessments focus specifically on adaptation.

As the LoCAL program matured, it became clear that its assessment processes needed to more effectively measure and demonstrate what the mechanism was achieving in terms of adaptation itself. Although LoCAL's system reflected good practice in performance-based grants, the system did not adequately or systematically capture the effectiveness of the grants from an adaptation perspective per se—in other words, whether, how, and to what extent the grants were contributing to adaptation. Recognizing that LoCAL's M&E system needed to be strengthened from an adaptation perspective, UNCDF contracted WRI in 2015 to integrate good practice in adaptation M&E into LoCAL's existing frameworks and systems.

In response, WRI prepared the Assessing Climate Change Adaptation Framework (ACCAF), which built upon the existing Annual Performance Assessments and other elements of LoCAL's existent systems, tools, and databases. While some components of the ACCAF are specific to UNCDF, many of the challenges faced—and

solutions suggested—are of wider interest. The overarching experience of measuring adaptation at the local level is relevant to a much broader group of adaptation donors and practitioners, as well as to public administration professionals with an interest in mainstreaming adaptation into local government processes.

## THE ASSESSING CLIMATE CHANGE ADAPTATION FRAMEWORK

The ACCAF was designed to build upon the strengths of UNCDF's experience administering performance-based grants while integrating current good practice in adaptation M&E. The ACCAF was developed over three years of consultation with UNCDF staff and local governments in Bhutan, Cambodia, Lesotho, and Niger, as well as Facility (i.e., global and/or regional LoCAL headquarter level) staff based in Bangkok and Dakar. WRI developed several interim outputs that were pilot tested in Bhutan, Cambodia, and Lesotho and, with input from the global team, ultimately produced the ACCAF. Appendix B provides more information on the methodology and design of the ACCAF.

The ACCAF comprises a guidance document and a complementary data tracker. It is organized around a set of building blocks, each representing good practice in adaptation M&E. The building blocks will be used at different scales—some at the local authority level, some at the country program level, and some by the Facility.

The ACCAF manual is primarily aimed at two audiences: first, LoCAL experts and staff who specialize in performance-based climate resilience grant design, and second, in-country staff (UNCDF staff and government personnel who have been seconded to LoCAL). The latter audience is especially important because they are the link between the local authorities, who choose and implement the grants, and the Facility, which manages the grant portfolio as a whole.

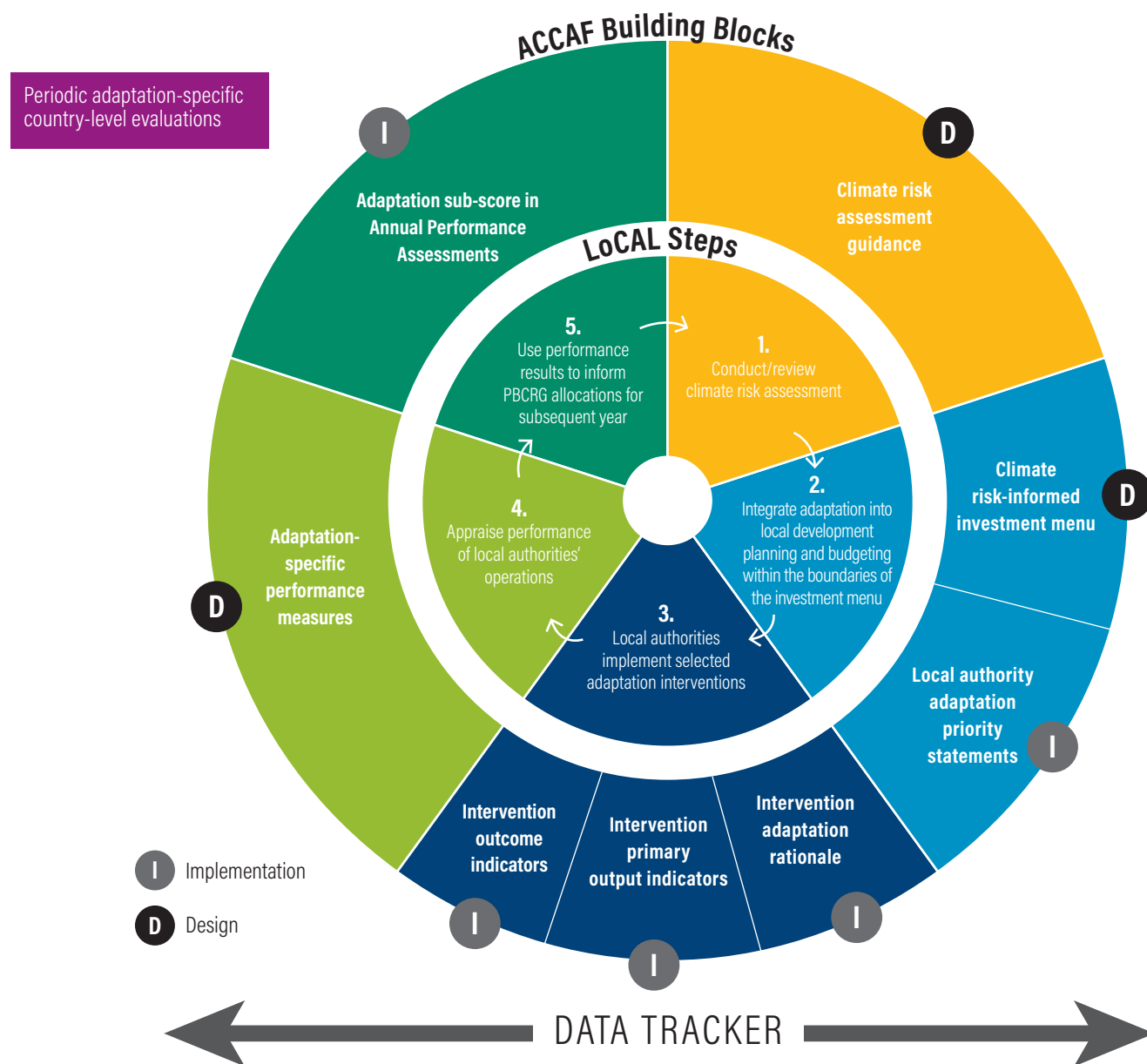
Figure 2 provides an overview of LoCAL's key existing steps and the complementary elements suggested by the ACCAF. The Building Blocks marked with a "D" are ACCAF's inputs into LoCAL's "design phase" product. During the design phase, LoCAL defines and tailors its program for operations within a country, including through policies, procedures, administrative arrangements, tools, guidance, and capacity development plans (UNCDF 2018). The Building Blocks marked with an "I" depict elements proposed by the ACCAF that address implementation of LoCAL initiatives. Each of these is described in further detail in the body of the paper.

Below is a brief description of each of the LoCAL steps and how ACCAF complements them. Additional information about the LoCAL steps is available in the publication *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants* (UNCDF 2018). The ACCAF elements are described in further detail in the next section, M&E Challenges Addressed by the ACCAF.

- **Prior to Step 1: Minimum conditions.** In LoCAL, these are the set of basic requirements with which local governments have to comply to access the grants. These conditions ensure that local authorities have a minimum absorptive capacity in place to handle the funds. The entire set of minimum conditions needs to be met before local authorities can access their grants. In general, minimum conditions focus on good governance and public financial management (UNCDF 2018).
- **Step 1: Incorporate climate risks.** In LoCAL, climate risk assessments are undertaken to enable local authorities to take action preventing or minimizing the impacts of climate change (UNCDF 2018). They build local capacity and a shared vision of what the chief climate risks are in a given area. The ACCAF provides guidance to ensure that the risk assessment methodologies are sound and that the assessment findings are fully applied.
- **Step 2: Integrate adaptation into local development planning and budgeting.** In LoCAL, local authorities select adaptation interventions to fund with a LoCAL grant. These interventions align with the investment menu and climate risk assessment. The investment menu is an indicative list of the types of activities eligible for financing through performance-based climate resilience grants. The investment menu is specific to each country context and guides what activities can be funded (UNCDF 2018). The ACCAF poses questions to ensure the investment menu focuses on interventions that can be justified from an adaptation perspective. It also introduces a new step: Local authorities are expected to identify a handful of adaptation priorities based on the climate risk assessment findings. These priorities are expected to be integrated into local authorities' development plans and/or local adaptation plans, per country practice, as well as be a touchstone for the specific adaptation interventions subsequently chosen by the local authorities.
- **Step 3: Implement selected adaptation interventions.** The selected interventions should demonstrably link to the adaptation priorities identified by the local authorities and be accompanied by a brief written adaptation rationale. The ACCAF presents clear directions and a simple template to guide the preparation of these rationales. An adaptation rationale is a brief statement that explains how and why the intervention responds directly to climate change concerns. Following from the adaptation rationale, local authorities identify adaptation outcome indicators specific to the intervention for use in the country-level evaluations that will be commissioned by UNCDF. The ACCAF also introduces a standard set of primary output indicators. It suggests that the authority selects one or more predetermined outputs and output indicators from a standardized drop-down menu that is part of the ACCAF.
- **Step 4: Appraise the local authorities' operations performance.** At the foundation of LoCAL's existing methodology is the Annual Performance Assessment, which is composed of a series of benchmarks (termed "performance measures") to measure progress. Rather than prescribing specific adaptation performance measures to include in the Annual Performance Assessments, the ACCAF builds from an existing database of all global per-



Figure 2 | How the ACCAF Complements the Existing LoCAL Steps



Note: PBCRG stands for performance-based climate resilience grants.

Source: For LoCAL steps, UNCDF; for ACCAF elements, WRI.

formance measures used in LoCAL to propose eight categories to organize the adaptation-relevant performance measures. Classifying the adaptation-specific performance measures in this way highlights categories that need further attention during the redesign of the system and can help local authorities determine where they need to strengthen their adaptation performance.

■ **Step 5: Use performance results to inform allocations for the following year.** The ACCAF suggests that, at the time of the design of the Annual Performance Assessment, 50 percent of the total number of performance measures be adaptation-specific. This will ensure that the performance assessment includes a strong focus on adaptation itself. It will also enable the creation of an adaptation sub-score to determine which local authorities have a strong focus on adaptation; the sub-score can contribute to informing future grant allocations, along with other performance measures.

■ **Additional ACCAF elements: Data tracker and periodic evaluations.** The data tracker that accompanies the ACCAF manual enables country programs to report their achievements in a simple, straightforward way that the Facility can directly use. The data tracker will be integrated into LoCAL's existing M&E reporting systems to minimize country programs' additional data collection and management burden, and it enables the Facility to gather information presented in a consistent manner. The ACCAF also proposes a series of periodic (every three years) adaptation-oriented evaluations of the country programs. These are meant to complement the local-level Annual Performance Assessments by stepping back from everyday operations and taking an overarching view of how effectively LoCAL investments are contributing to adaptation itself.

## M&E CHALLENGES ADDRESSED BY THE ACCAF

This section describes three challenges WRI faced in developing the ACCAF to support and complement LoCAL's existing assessment system. It also outlines the solutions presented in the ACCAF to contend with these challenges. For more information on the process by which these solutions were chosen, please see the methodology in Appendix B. The challenges highlighted are not entirely distinct; rather, they are linked and in some cases the solutions for one challenge also address another. The three challenges include:

**Incorporating adaptation M&E into a performance-based grant system.** Performance-based grants are designed to incentivize effective public administration and governance by rewarding good performance. This incentive works best when the assessment focuses on verifying tangible improvements on a timeframe of one to a few years. However, because adaptation is contextual, there are no standardized indicators to serve as benchmarks of success. Adaptation also entails much longer time horizons and making contributions to an overarching climate-resilient development pathway. Crafting the ACCAF to ensure fidelity to both the existing LoCAL system and good practice in adaptation M&E required a careful balancing of both sets of priorities.

**Addressing measurement issues in mainstreamed adaptation.** There is a good deal of overlap between adaptation and broader sustainable development aims. This provides ample opportunities for “win-win” and “no-regret” measures. However, when adaptation is integrated or mainstreamed into sectoral or local development policies and plans, one risk is that it gets lost amidst other priorities (Casado-Asensio et al. 2016). Since there is no clear quantitative metric to confidently gauge adaptation progress, it can be difficult to measure whether and how mainstreaming effectively contributes to adaptation aims (Bours et al. 2014a).

**Balancing country-specific and portfolio-wide adaptation M&E needs.** Decision-makers across an organization have different information needs; data that are essential to people at one level of an agency may not be important to those at another. Within international organizations or global programs, these issues are often compounded by the sheer diversity of actors and interests, and LoCAL is no exception. For instance, LoCAL in-country staff require contextual information that addresses their local-level adaptation needs, while the global team that manages the overall LoCAL portfolio requires information that is relevant across countries and can be aggregated.

## Incorporating Adaptation M&E into Performance-Based Grants

Performance-based grant systems emphasize incentives to improve local authority performance in a range of areas, such as revenue collection, planning, and financial management (UNCDF 2010). For a performance-based incentive system to work effectively, benchmarks are ideally easily verifiable and measurable within a reasonable timeline, and within the local authority's control. However, because adaptation is contextual, there are no standardized indicators or universal metrics to serve as benchmarks of success against which performance can be rewarded.

Integrating adaptation M&E into a well-established performance-based grant system is challenging because, in contrast with good practice for performance-based grant M&E, adaptation M&E emphasizes long-term perspectives about what constitutes effective adaptation

action. This entails looking at time horizons of one or more decades and linking individual interventions with overarching climate-resilient development pathways (Bours et al. 2014b). Crafting the ACCAF to ensure fidelity to both the existing LoCAL system and good practice in adaptation M&E required carefully balancing both sets of priorities.

### The ACCAF solution

At the global level, WRI provided input into LoCAL's earlier logic model to strengthen it from an adaptation perspective and encouraged LoCAL to craft a more adaptation-centric Theory of Change. Theories of Change are especially helpful in outlining a coherent vision and strategy for portfolios like LoCAL's, and are well-suited to facilitating the design, monitoring, and evaluation of long-term, complex topics such as climate change adaptation (Bours et al. 2014b). Revising LoCAL's global logic model may also better position LoCAL partner countries to independently secure global climate finance and channel it to local governments because they would be better poised to articulate and demonstrate achievements in terms of climate change.

At the country level, the ACCAF manual strengthens and reinforces LoCAL's guidance to country programs to help ensure that the interventions that are selected for funding are consistent with adaptation priorities, both by building upon and systematizing existing steps and by introducing new ones (see Figure 2).

For instance, the ACCAF emphasizes two steps that help more explicitly link the findings of the climate risk assessment to the intervention selection process itself. One step is for the local authorities to identify a handful of adaptation priorities that should inform the selection of all LoCAL grants, in conjunction with the investment menu. These priorities can also be integrated into local authorities' development plans. In this way, the adaptation priorities connect annual adaptation interventions with longer-term development strategies. The second step is that any intervention chosen for LoCAL funding should be accompanied by a short written adaptation rationale. The ACCAF poses a set of questions or steps to help local authorities arrive at an adaptation rationale that is nested within a development need. Doing so acknowledges and respects that most local authorities

focus on pressing immediate needs, while also addressing potential climate change impacts.

The ACCAF's emphasis on selecting interventions is essential to adaptation M&E because that logic underpins identifying indicators and informs other components of the overall M&E framework (Bours et al. 2014b). Given that climate change manifests over long time horizons and there is no straightforward adaptation metric to count, it is imperative to articulate how an individual intervention is intended to contribute to broader adaptation goals. What sets an adaptation intervention apart from a business-as-usual development intervention is thus not usually the nature of the intervention or its indicators, but rather the underlying strategy (Spearman and McGray 2011).

Moreover, concerns have been raised within LoCAL that on occasion local authorities have selected interventions that were only weakly linked to climate change concerns. This circumstance is by no means unique to LoCAL; it is a common dilemma facing financing institutions and agencies seeking to introduce or mainstream adaptation into their operations (MacClune et al. 2017). Tying intervention selection directly to the M&E framework through the process of preparing a clear, succinct adaptation rationale and connecting the interventions to the local authority's adaptation priorities helps keep stakeholders on track. Articulating adaptation rationales is recognized as good adaptation practice (see, for example, Spearman and McGray 2011), and increasingly being considered by climate funds (see, for example, GCF 2018).

One of the main goals for the ACCAF was to infuse good practice in adaptation M&E into LoCAL's system and complement the Annual Performance Assessment, which is composed of a series of performance measures. Examples of performance measures include involving the community in planning adaptation investments and/or in implementing activities, and ensuring local climate risk assessments are undertaken or updated. The ACCAF suggests ways to strengthen these assessments from an adaptation perspective, but largely leaves them intact. Each country program has its own performance measures, and the ACCAF does not attempt to standardize them. It does, however, suggest that each country program identify which of its performance

measures are directly relevant to adaptation and then tag them to various categories already in use by the Facility. The ACCAF recommends that 50 percent of the total series of performance measures in the Annual Performance Assessment consist of adaptation-related items, to ensure and reward when importance is given to adaptation aims.

The ACCAF introduces a complementary building block: a series of periodic (approximately every three years) adaptation-oriented evaluations of the country programs. These are meant to complement the intervention-level Annual Performance Assessments by stepping back from the everyday operations and taking an overarching view of how effectively the LoCAL country program as a whole is contributing to adaptation. These evaluations are intended to be specifically adaptation- and learning-oriented and led by an external expert in adaptation, who will review the quality of LoCAL's adaptation-specific work, including risk assessments, local authorities' efforts to mainstream adaptation into local government planning, and the outcomes (and outcome indicators) of the individual interventions.

These evaluations can complement existing ones done by UNCDF, such as the global midterm evaluation released in 2018 and country evaluations done for some countries. Doing these evaluations approximately every three years will give countries adequate time to make progress on these fronts. These evaluations are also intended to further build a global evidence base about adaptation and local governance and pave a pathway for local authorities to secure additional climate finance.

## Addressing Measurement Issues Inherent in Mainstreamed Adaptation

The debate about whether and how a specific intervention counts as addressing adaptation has challenged donors, policymakers, and adaptation practitioners for more than a decade. A recent review of Green Climate Fund projects found that while activities funded for adaptation often resemble traditional development activities, they are responding to situations where climate-related risks and socioeconomic conditions (i.e., adaptive capacity) are interacting to heighten communities' vulnerabilities and exposure to climate change impacts (WRI 2018).

Establishing whether and why an intervention counts as adaptation can be challenging in a program that involves mainstreaming adaptation into other development efforts. Many of LoCAL's performance-based climate resilience grants consist of a financial top up to cover the additional costs of addressing climate change impacts. For instance, some local authorities prioritize road building. The roads may be financed by other means, and LoCAL's grants would supplement those funds so that the new road can be made to better withstand floods (e.g., by building it on a raised foundation, using more durable materials, or building it in a different location). In other cases, LoCAL funds the entire cost of the climate-related intervention. The top up grants enable development investments in climate-sensitive sectors to become resilient to climate change impacts.

As described previously, what distinguishes adaptation from development is typically not the project specifications or indicators, but whether and how it is nested within a coherent, climate-informed strategy (Bours et al. 2014a). M&E is often expected to demonstrate an intervention's adaptation results, but practitioners will struggle to do so without ample evidence of how climate considerations have informed key decisions across the operations cycle. In the four countries where WRI has engaged, local authorities were not consistently able to connect these dots—even in LoCAL's more long-standing country programs. This observation was echoed in the midterm evaluation of LoCAL covering the 2014–16 period, which referred to the “sometimes unclear climate additionality of LoCAL investments” (Lafontaine et al. 2018, 11).

## The ACCAF solution

As described above, the ACCAF introduces a step to systemize how to assess the adaptation effectiveness of interventions that are nested within larger development aims: the adaptation rationale. Going through this step-wise exercise, which begins with the development context and need and moves into a nested adaptation context and need, is intended to help local stakeholders articulate why and how the interventions address adaptation in a way that both complements yet is distinguished from development needs. Articulating an adaptation rationale can help local authorities feel more confident about explaining how they are using the climate resilience grants for adaptation, but also how these grants are ensuring development succeeds despite climate change.



Alongside the written adaptation rationale for each intervention, stakeholders are also asked to categorize the intervention according to the Types of Adaptation Activities worksheet. The worksheet is a table that lists five types of adaptation activities—climate specific, climate smart, climate strategic, climate complementary, and awareness and capacity building—along with definitions, examples, and questions for the local authorities to use when determining the type of each intervention chosen. Using this worksheet can help practitioners describe the overall focus, spread, and scope of interventions at the local and country levels. It can also highlight potential areas for improvement. For instance, if too many interventions being funded fall within the climate complementary category (i.e., interventions that may be relevant to or complement adaptation but do not particularly advance it), stakeholders may need to consider how to better integrate the findings from the climate risk assessments into decision-making about which interventions to fund with a LoCAL grant.

Measuring the progress of mainstreamed adaptation requires a suite of adaptation-specific and common development indicators. Common development indicators may include the number of total beneficiaries, number of women beneficiaries, hectares of land under cultivation (for an agricultural intervention), and kilometers of drainage (for a flooding intervention). Examples of adaptation-specific indicators are those that reflect climate variables (such as change in annual precipitation), climate impact indicators (such as number of households affected by drought), adaptation action indicators (such as percentage of people living in drought-prone areas with access to rainfall forecasts), and adaptation outcome indicators (such as percentage of poor people living in drought-prone areas with access to safe and reliable drinking water) (IOB 2018).

As described in the previous set of solutions, the ACCAF suggested that each written adaptation rationale statement be distilled into an adaptation outcome and accompanying outcome indicators that are intended to be included in the mandates of the external adaptation evaluations undertaken by adaptation experts. The ACCAF also introduces a standard set of primary output indicators. Output indicators measure activities—for instance, number of people trained or meters of irrigation channel repaired. They are especially well-suited to demonstrate that interventions are on track in terms of meeting targets and to describe the reach of an intervention or portfolio. The ACCAF suggests that when an

intervention is chosen by a local authority and funded by LoCAL, the authority selects one or more predetermined output indicators from a standardized drop-down menu. Examples of these indicators include “number of meters of road improved” and “number of drainage canals constructed.”

The list of standardized primary output indicators will be added to on an ongoing basis whenever necessary (i.e., whenever LoCAL extends a grant for a new kind of intervention). These primary output indicators can be interpreted alongside other adaptation data gathered throughout the LoCAL process—including the non-standardized outcome indicators, the adaptation-specific Annual Performance Assessment indicators, and the findings from the periodic evaluations—in order to more fully gauge how effective the interventions being funded are from an adaptation perspective. Their primary purpose, however, is to better describe the scope and reach of the portfolio as a whole.

## Balancing Country-Specific and Portfolio-Wide Adaptation M&E Needs

LoCAL’s portfolio spans diverse countries and agro-ecological zones, which face very different climate risks. An M&E system for LoCAL therefore needs to be appropriate for both different country contexts as well as a range of scales, from the local to the national to the global portfolio level. Typically, local-level implementers especially value nuanced field-level information whereas global staff need information—usually quantitative—that can be easily compared and aggregated. This can be a source of tension between local implementers and global teams.

Within LoCAL, there are three primary sets of information producers and users: local authorities, LoCAL country program staff, and the global team. Thus far, this paper has focused more on M&E issues that especially confront local authorities and national-level staff, but the global team also has its own distinctive set of M&E priorities. For instance, the global team aims to ensure each country has both the flexibility and the technical support to address adaptation in situ, while ensuring that the portfolio as a whole is achieving measurable adaptation progress. LoCAL needs to be able to review the mechanism’s global achievements, demonstrate key findings to its own donors, and contribute to broader learning.

The pilot test process demonstrated unmet demand for more intensive training on adaptation itself—not simply on M&E skills. It also highlighted that these needs may differ dramatically from place to place. For instance, in one country, the local authorities were very familiar with the LoCAL process but struggled to articulate the adaptation rationales of interventions, while in another newer country the local authorities had a sophisticated grasp of both adaptation and M&E but were not clear on LoCAL processes. As LoCAL lies at the interface between two very different issues—decentralization and climate change—technical knowledge does not always “trickle down” to the country program staff responsible for guiding local authorities through field-level processes of implementing LoCAL or to the local authorities themselves. This may contribute to some of the shortcomings in adaptation relevance that were outlined in the most recent global midterm evaluation of LoCAL (Lafontaine et al. 2018) and will ideally be less of an issue as the program matures.

### The ACCAF solution

The pilot testing experience highlighted the need for nuanced training around adaptation core themes and practices, particularly on distinguishing adaptation from business-as-usual development. In the absence of a simple standardized metric to serve as a bottom line, good practice in adaptation M&E rests on informed judgment and analysis across a suite of indicators and sources (Bours et al. 2014a). This requires not only a toolkit but also solid and broad-based training on adaptation itself. During visits to the pilot countries, WRI conducted trainings on adaptation, LoCAL, and the ACCAF. These trainings were underpinned by a suite of materials that can be adapted, translated, and shared by UNCDF. These will be built upon during the final phase of the project, which is a period of internal capacity building for UNCDF.

The ACCAF includes elements that support LoCAL’s specific information needs. The Types of Adaptation Activities worksheet categorizes funded interventions according to how they balance adaptation and development aims. As the local authorities begin to complete these worksheets and the countries compile them, LoCAL can aggregate or summarize them at the global level to review what types of interventions the grants are primarily funding.

The ACCAF also supports LoCAL’s information needs by introducing and/or further organizing key data. These include the primary output indicators that enable the Facility to aggregate the interventions being funded by LoCAL’s grants and to gauge progress (in terms of physical outputs) of the performance-based grants. Meanwhile, the outcome indicators mentioned above will be a key focus of the new series of adaptation-oriented country program evaluations. These evaluations will likely be the main input into the Facility’s understanding of how LoCAL contributes to adaptation. LoCAL can use this information to demonstrate the reach and effectiveness of its worldwide operations.

The data tracker that is part of ACCAF was created to build upon and strengthen the way country programs report their achievements. The data tracker will be integrated into LoCAL’s existing M&E reporting systems to minimize country programs’ additional data collection and management burdens and enable the Facility to gather information presented in a consistent manner. With further uptake, the ACCAF will highlight areas for improvement and capacity gaps, enabling LoCAL to continue to adapt the M&E system to best suit its needs.

### Remaining Gaps and Next Steps

All the above solutions were developed in partnership with the LoCAL global team and three pilot countries with the aim of ensuring maximum alignment with existing LoCAL systems, processes, and databases, as well as ease of use. The addition of new or standardized elements will no doubt increase the level of effort required in monitoring the performance-based climate resilience grants, but by reinforcing certain M&E elements and introducing new ones, LoCAL will be better able to define, measure, and disseminate its global achievements. However, an effective M&E system is rarely easy or functional in the absence of ongoing training, time, and resources. Consistent management support will be the essential element to ensuring its effective implementation.

Strong leadership is necessary to set the tone that adaptation is a nonnegotiable priority and put the onus on stakeholders to clearly demonstrate why the funded interventions are justified from an adaptation standpoint. This emphasis by LoCAL will need to be supported with ongoing investments in training and capacity building at the local level, where the investments are

chosen. It will also be necessary to commit to ongoing capacity building at local and national levels. Indeed, beginning to implement the ACCAF may highlight additional gaps in capacity and technical knowledge that need to be filled.

Implementing the ACCAF in a patchy or “pick and choose” way is a real risk. The various building blocks were designed to reinforce one another, infusing good practice in adaptation M&E strategically across the intervention cycle. If it is used or applied inconsistently it may not effectively assess or demonstrate the mechanism’s contributions to adaptation. Finally, it is undeniable that implementing the suggestions in the ACCAF will require ongoing resources. For instance, training in-country staff or conducting the adaptation evaluations are new activities that will need to be appropriately funded.

LoCAL is in a position to gather a good body of evidence on not only its experiences with performance-based climate resilience grants, but also on whether and how making use of the ACCAF has helped local authorities, country programs, and the global team assess adaptation progress. In particular, the evaluations offer an opportunity to learn about adaptation and share these lessons with the broader adaptation community.

## CONCLUSION

Many adaptation interventions are best identified and delivered at the local level. Climate finance, however, rarely reaches local governments, and local governments in Least Developed Countries rarely have the capacity or incentives to confront climate change. UNCDF was a pioneer in designing and managing performance-based grants and identified a clear opportunity to apply them directly to adaptation. Although UNCDF stakeholders are rightly proud of their successes in channeling adaptation finance access to the local level and establishing a performance incentive system, M&E of adaptation interventions presents myriad methodological challenges that make it difficult to demonstrate that success.

WRI joined LoCAL in a four-year partnership to infuse good practice in adaptation M&E while preserving good practice in performance-based grants delivery. Over the course of consultation and intensive applied research, WRI created the ACCAF to ensure fidelity to adaptation aims across LoCAL’s country programs, and to demonstrate the effectiveness of the performance-based grant funding modality as applied to adaptation at the local authority level.

In this paper, we have reviewed the key methodological adaptation M&E challenges faced during the project and demonstrated how WRI’s ACCAF tool has confronted those dilemmas. Although some details may be specific to LoCAL, the challenges and solutions embedded in the ACCAF reflect the challenges faced by the broader adaptation M&E community of practice. A brief synthesis of the key lessons learned from this experience that are more broadly relevant to the field of adaptation, organized by the three major challenges discussed earlier, include the following:

### ■ Incorporating adaptation M&E into a performance-based grant system

- Adaptation M&E itself needs to be adaptable. What works best for one sector, theme, or funding modality may not suit another, especially in the case of efforts to do M&E for mainstreamed adaptation interventions. Practitioners are encouraged to try to strike a balance between good practice in adaptation M&E and other relevant good practice in M&E—in the case of LoCAL this was of performance-based grants but in other scenarios this could be M&E specifications for a sector or donor.
- It is important to understand the nuances of existing agency systems to incorporate adaptation M&E. Although this seems self-evident, the nuances of integrating one set of best practice into a complex and evolving global-yet-local program was not always straightforward. It was a constant learning process, and the best way to address it was to iterate solutions with UNCDF to ensure they worked for both the program and the ACCAF.
- Adaptation M&E can take some lessons from performance-based systems. Some adaptation programs’ M&E frameworks may benefit from including more traditional monitoring-oriented components, including outputs, targets, and annual benchmarks. This is an area where performance-based grant systems particularly excel. Even if a program is not oriented toward performance-based grants, it may be helpful to apply some of their principles and approaches.

## ■ Addressing measurement issues in mainstreamed adaptation

- Climate change adaptation presents an abundance of co-benefits with good development programming, but one downside is that it can get lost amidst other more immediate priorities (Casado-Asensio et al. 2016). Adaptation is not a sector but rather a strategic development pathway. Especially at the individual project level, there may be little that distinguishes an adaptation intervention from a business-as-usual development intervention. Important aspects of an adaptation intervention are thus whether and how it is framed by underlying logic and evidence as to why the intervention addresses climate risks. A climate justification needs to be clearly articulated at the project design phase—not after operations are up and running.
- Adaptation is very well-suited to being mainstreamed into broader policies, programs, and planning. However, for mainstreaming to be effective it is essential for operational teams to understand what adaptation is, what distinguishes it from business-as-usual development, and how to apply adaptation perspectives to planning in a nuanced way. There is still a strong need for this basic capacity building.

## ■ Balancing country-specific and portfolio-wide adaptation M&E needs

- It is important to develop an M&E system that, from the beginning, recognizes and accounts for different stakeholders' information needs. As seen in the LoCAL example, just because a program focuses on local-level work does not mean that M&E focused on that level will be sufficient to represent the organization's efforts as a whole. The various needs of different audiences should be clarified—and, ideally, weighted—at the beginning to ensure clarity for the resulting system. The original ACCAF methodology was heavily grounded in country program experiences and perspectives. In the end, revisions were necessary to also meet the different needs and expectations of the global team. This echoes research by Krause et al. (2015) that highlights contrasting values, goals, and judgment by different actors in adaptation evaluation.

None of the challenges or lessons learned explored in this paper are unique to LoCAL. However, LoCAL represents an innovative funding and performance-based mechanism that can be replicated and expanded more successfully with a strong adaptation M&E system. Moreover, the more that LoCAL and other similar programs can demonstrate achievements in terms of adaptation itself, the better poised they will be to secure climate finance. The ACCAF seeks to enable this. These insights from the ACCAF experience will also, hopefully, inform burgeoning global efforts to finance adaptation at the local level.

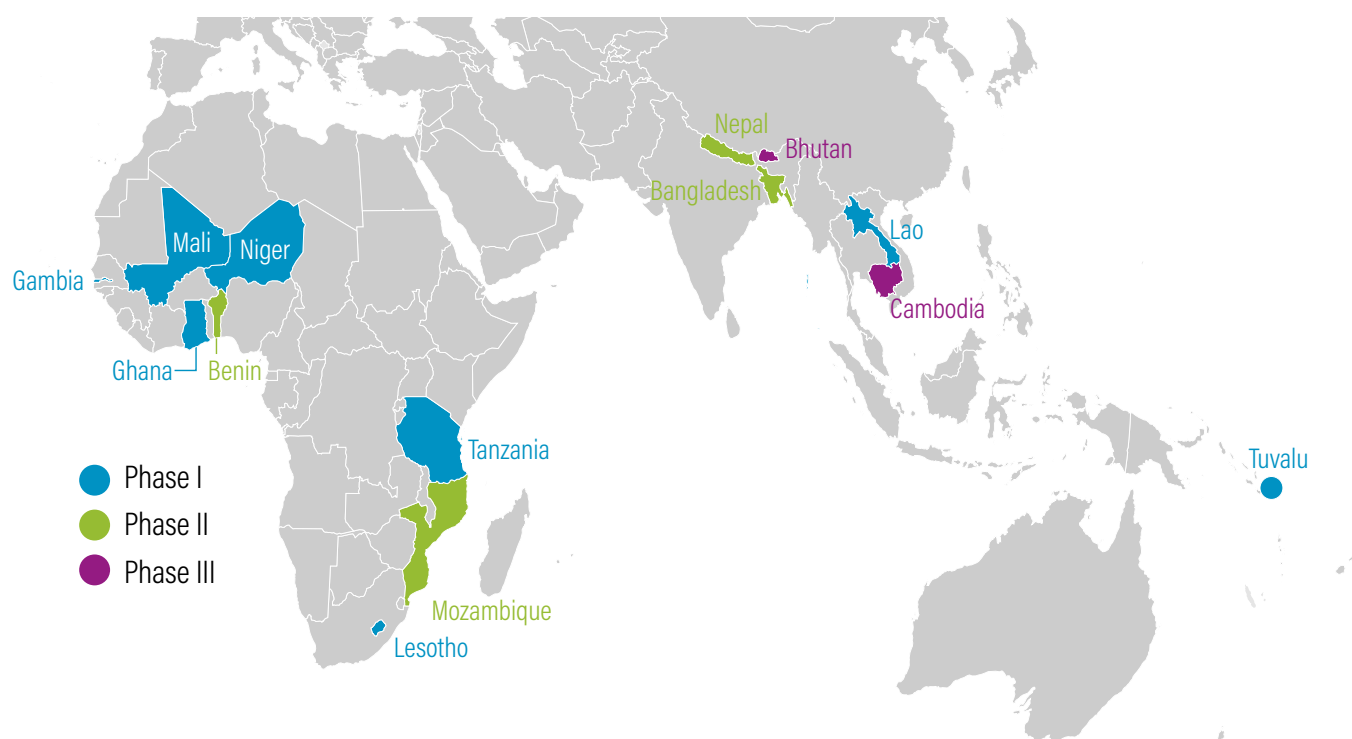


## APPENDIX A: ABOUT LoCAL

LoCAL is a mechanism that aims to increase awareness of and capacities to respond to climate change at the local level, mainstream climate change adaptation into local government planning and budgeting systems and investments, and increase the amount of finance available to local governments for climate change adaptation. LoCAL does this by providing performance-based climate resilience grants, technical assistance, and capacity-building support (UNCDF 2018). LoCAL processes are detailed in *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants* (UNCDF 2018), approved by the United Nations Framework Convention on Climate Change as supplementary material to the National Adaptation Plans technical guidelines.

LoCAL rolls out its operations in a given country across three phases, beginning with a test stage during which UNCDF staff scope, design, and test the mechanism (including the minimum conditions, investment menu, and performance measures) in two to four local governments over one to two fiscal years. The second phase is learning, during which time the country program expands to 5 to 10 local governments, demonstrates effectiveness, and collects lessons learned, thereby creating conditions for a viable national rollout of LoCAL. Phase three is scaling up, during which the mechanism is gradually extended to all climate-vulnerable local authorities. For phase three there is a strong emphasis on building capacity to access external funds such as the Green Climate Fund and domestic resources (UNCDF 2018).

Figure A-1 | **Map of LoCAL Countries**



Source: UNCDF 2019.

## APPENDIX B: DESIGNING THE ACCAF

### Methodology for Developing the ACCAF

The WRI team designed the ACCAF in an iterative fashion, progressing through a series of systematic, consultative steps. The manual is organized by “building blocks,” each one fitting into an element of the LoCAL cycle. The WRI team prepared a set of three options for each building block. Once UNCDF chose which options they preferred, WRI laid out the various chosen elements and made adjustments to ensure they worked as a cohesive framework. Following this, WRI created a proposal for each building block that was vetted, discussed, and ultimately approved by UNCDF staff. Each building block is also represented in the data tracker, an Excel spreadsheet. The team then prepared a full draft of the ACCAF manual, which was reviewed by UNCDF management before being pilot tested.

Three countries were selected, and pilot testing was conducted between May 2018 and April 2019. The three countries—Bhutan, Cambodia, and Lesotho—were chosen by LoCAL. Chief selection criteria were that pilot test countries should include LoCAL programs at different levels of maturity, be geographically diverse, and be English-speaking. The WRI team traveled to each pilot test country in May and June 2018 to present a three-day training on the ACCAF. The training included technical material (for instance, an overview of methodological challenges surrounding M&E of adaptation); a review of existing LoCAL approaches to designing, monitoring, and evaluating the adaptation interventions funded by the performance-based grants; and the draft ACCAF manual and data tracker.

Following the training, the WRI team worked closely with a LoCAL staff point person from each of the three countries to familiarize them with the manual and fill in the data tracker. The purpose was twofold: first, to use the guidance and data tracker on real examples to see whether they were appropriate and understood what needed modification, and second, to build the familiarity and capacity of the in-country representatives who will be responsible for undertaking the ACCAF in the coming years. The WRI team systematically documented insights from their interactions with the counterparts, together with the counterparts’ own suggestions and requests. Following conclusion of the pilot testing, the WRI team revised the ACCAF manual and data tracker. The final manual and data tracker will be published in 2019.

### Limitations of the Data

The ACCAF was developed in an iterative, participatory fashion and relies heavily on an in-depth case study approach paired with intensive consultation and the team’s expertise on adaptation M&E. A survey or other quantitative investigation was deemed impractical for a variety of reasons, including the global reach of stakeholders, multiple languages spoken, and that few staff (especially national staff—the primary audience for the ACCAF manual) were likely to engage remotely on a series of technical deliverables.

Although a qualitative case study approach was identified as the most suitable, it has inherent limitations. These include the following: feedback that was at times inconsistent and/or delayed, input that was sometimes dominated by a few voices, and feedback that reflected the case study countries and/or those with long-term LoCAL experience. Meanwhile, selecting the case study countries was challenging: An intended careful balance across several factors was compromised by the inability of the countries originally selected to partake in the pilot testing, and delays in starting up the Lesotho program meant that it was not yet fully operational during the pilot test period.

### Foundational Research and Consultations

Prior to designing the ACCAF, the WRI team prepared the following series of intermediary deliverables, which were vetted by LoCAL staff and stakeholders:

- **Performance Assessment for Climate Change Adaptation: Current Status and Ways Forward for UNCDF’s LoCAL Program.** The WRI team prepared an overview of methodological challenges in M&E for adaptation, international good practice in adaptation M&E, and the status of LoCAL’s performance assessment system specifically with regard to how effectively its contributions to adaptation are captured by its long-standing performance-based grant assessment mechanisms. This paper included preliminary recommendations and outlined next steps for the partnership.
- **Design questions memo.** This deliverable posed key questions to LoCAL’s leadership about their priorities going forward, and highlighted options on how to navigate tensions and trade-offs around key choices.
- **WRI feedback on LoCAL Minimum Conditions and Performance Assessment Criteria.** The WRI team reviewed the Minimum Conditions and Performance Assessment Criteria from eight LoCAL countries to assess whether and how adaptation perspectives were included.
- **Evaluation of Climate Change Adaptation: A Framework for UNCDF-LoCAL.** This major deliverable presented findings from an in-depth exploration of current practices, needs, and priorities for LoCAL’s M&E system, based largely on an in-depth desk review, field missions to three country programs, and consultations with staff in LoCAL. This document outlined what would ultimately become ACCAF’s building blocks, each representing good practice in adaptation M&E, and options for achieving each one. This document was circulated widely across LoCAL globally and presented in a global webinar. The authors compiled and consolidated written and verbal feedback on the paper and presented a recommended way forward to LoCAL senior management. Once this proposal was approved, the WRI team proceeded with designing the ACCAF.

## ENDNOTES

1. For details on how performance is measured in the UNCDF LoCAL program, please refer to UNCDF 2018.
2. As of 2019, Benin, The Gambia, Ghana, Lesotho, Mali, Mozambique, Niger, and Tanzania in Africa; Bangladesh, Bhutan, Cambodia, Lao PDR, and Nepal in Asia; and Tuvalu in the Pacific.
3. For more information about the LoCAL program, the publication *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants* (UNCDF 2018) is a very helpful resource. For more information on the ACCAF manual, please contact UNCDF.
4. A Theory of Change is a representation of how a group of stakeholders plans to reach a common goal. There is no specific methodology or format that constitutes a Theory of Change but one usually includes articulation of a "big picture" outcome and the steps needed to achieve that outcome (Bours et al. 2014b).

## REFERENCES

- Bours, D., C. McGinn, and P. Pringle. 2014a. *Guidance Note 2: Selecting Indicators for Monitoring and Evaluation of Climate Change Adaptation Programmes*. SEA Change Community of Practice and United Kingdom Climate Impacts Programme.
- Bours, D., C. McGinn, and P. Pringle. 2014b. *Guidance Note 3: The Theory of Change Approach to Monitoring and Evaluating Climate Change Adaptation Programmes*. SEA Change Community of Practice and United Kingdom Climate Impacts Programme.
- Casado-Asensio, J., A. Drutschinin, J. Corfee-Morlot, and G. Campillo. 2016. "Mainstreaming Adaptation in National Development Planning." OECD Development Co-operation Working Paper. Organisation for Economic Co-operation and Development.
- Green Climate Fund (GCF). 2018. "GCF Support for Adaptation Planning Helps Developing Countries Build the Case for Increased Action and Investment." News Release, November 16. <https://www.greenclimate.fund/news/gcf-support-for-adaptation-planning-helps-developing-countries-build-the-case-for-increased-action-and-investment>.
- Hammill, A., and H. McGray. 2018. "Is It Adaptation or Development? Revisiting the Continuum Ten Years Later." International Institute for Sustainable Development. Blog, March 5. <https://www.iisd.org/story/is-it-adaptation-or-development/>.
- Huq, S., and J. Ayers. 2008. *Take Steps: Mainstreaming National Adaptation*. Briefing Paper. London: International Institute for Environment and Development.
- IOB. 2018. "Monitoring and Evaluating Mainstreamed Adaptation to Climate Change: A Synthesis Study on Climate Change in Development Cooperation." IOB Evaluation No. 426. Netherlands: Ministry of Foreign Affairs, Policy and Operations Evaluation Department.
- Käkönen, M., L. Lebel, K. Karhunmaa, V. Dany, and T. Thuon. 2014. "Rendering Climate Change Governable in the Least-Developed Countries: Policy Narratives and Expert Technologies in Cambodia." *Forum for Development Studies* 41, no. 3: 351–376.
- Krause, D., M. Schwab, and J. Birkmann. 2015. "An Actor-Oriented and Context-Specific Framework for Evaluating Climate Change Adaptation." In D. Bours, C. McGinn, and P. Pringle (eds.), *New Directions for Evaluation*, no. 147: 37–48.
- Lafontaine, A., J. Garcia, B. Paudyal, and J. Ligot. 2018. *Mid-term Evaluation: Local Climate Adaptive Facility*. Quebec: United Nations Capital Development Fund.
- Lebel, L., L. Li, C. Krittasudthacheewa, M. Juntopas, T. Vijitpan, T. Uchiyama, and D. Krawanchid. 2012. *Mainstreaming Climate Change Adaptation into Development Planning*. Bangkok: Adaptation Knowledge Platform, and Stockholm: Stockholm Environment Institute.
- Leiter, T. 2015. "Linking Monitoring and Evaluation of Adaptation to Climate Change across Scales: Avenues and Practical Approaches." In D. Bours, C. McGinn, and P. Pringle (eds.), *Monitoring and Evaluation of Climate Change Adaptation: A Review of the Landscape*. *New Directions for Evaluation*, no. 147: 117–127.
- MacClune, K., C. McGinn, F. Asif, and K. Venkateswaran. 2017. *Design, Monitoring, Evaluation, and Learning for Climate Resilience: A Guidance Paper for the Philippines*. Boulder, CO: Institute for Social and Environmental Transitions.
- McGray, H., A. Hammill, and R. Bradley. 2007. *Weathering the Storm: Options for Framing Adaptation and Development*. Washington, DC: World Resources Institute.
- Musah-Surugu, I. J., A. Ahenkan, and J. N. Bawole. 2017. "Too Weak to Lead: Motivation, Agenda Setting and Constraints of Local Government to Implement Decentralized Climate Change Adaptation Policy in Ghana." *Environment, Development and Sustainability: A Multidisciplinary Approach to the Theory and Practice of Sustainable Development* 21, no. 2: 587–607.
- Spearman, M., and H. McGray. 2011. "Making Adaptation Count: Concepts and Options for Monitoring and Evaluation of Climate Change Adaptation." Eschborn, Germany: German Agency for International Cooperation (GIZ).
- United Nations Capital Development Fund (UNCDF). 2010. *Performance-Based Grant Systems: Concept and International Experiences*. New York: UNCDF.
- UNCDF. 2018. *Financing Local Adaptation to Climate Change: Experiences with Performance-Based Climate Resilience Grants*. New York: UNCDF.
- UNCDF. 2019. *LoCAL Final Report on First Period of Global Expansion, 2014–2018*. New York: UNCDF.
- WRI (World Resources Institute). 2018. *The GCF's Approach to Adaptation: Analysis and Implications for the Fund*. Washington, DC: World Resources Institute.

---

## ACKNOWLEDGMENTS

We are grateful to UNCDF for providing funding for this project and paper.

The authors would like to thank Sophie De Coninck from UNCDF for her ongoing support and assistance with this working paper. We would also like to thank Kosal Sar, Rafael Moser, and Sangay Dorji for working with the authors to test-pilot the ACCAF, the basis of this paper. The following people provided invaluable reviews to strengthen this paper: Arivudai Nambi Appadurai, Chen Chen, Christina Chan, Dennis Bours, Erin Gray, Kenneth MacClune, Niranjali Amerasinghe, Nisha Krishnan, Rafael Moser, Rebecca Carter, and Sophie De Coninck. Thanks also to Emilia Suarez, Emily Matthews, Romain Warnault, Billie Kanfer, and Sarah DeLucia for their assistance with editing and producing this paper.

We are pleased to acknowledge our institutional strategic partners, who provide core funding to WRI: Netherlands Ministry of Foreign Affairs; Royal Danish Ministry of Foreign Affairs; and Swedish International Development Cooperation.

## ABOUT THE AUTHORS

**Ayesha Dinshaw** is a manager with the Climate Resilience Practice at WRI India. She works on mainstreaming adaptation into development and monitoring to ensure effective resilience-building efforts.

Contact: [adinshaw@wri.org](mailto:adinshaw@wri.org)

**Colleen McGinn**, PhD, is an applied research consultant who specializes in coping and resilience. She is recognized as a leading global expert in monitoring and evaluation of climate change adaptation.

Contact: [colleenmcginn@hotmail.com](mailto:colleenmcginn@hotmail.com)

## ABOUT WRI

World Resources Institute is a global research organization that turns big ideas into action at the nexus of environment, economic opportunity, and human well-being.

### Our Challenge

Natural resources are at the foundation of economic opportunity and human well-being. But today, we are depleting Earth's resources at rates that are not sustainable, endangering economies and people's lives. People depend on clean water, fertile land, healthy forests, and a stable climate. Livable cities and clean energy are essential for a sustainable planet. We must address these urgent, global challenges this decade.

### Our Vision

We envision an equitable and prosperous planet driven by the wise management of natural resources. We aspire to create a world where the actions of government, business, and communities combine to eliminate poverty and sustain the natural environment for all people.

### Our Approach

#### COUNT IT

We start with data. We conduct independent research and draw on the latest technology to develop new insights and recommendations. Our rigorous analysis identifies risks, unveils opportunities, and informs smart strategies. We focus our efforts on influential and emerging economies where the future of sustainability will be determined.

#### CHANGE IT

We use our research to influence government policies, business strategies, and civil society action. We test projects with communities, companies, and government agencies to build a strong evidence base. Then, we work with partners to deliver change on the ground that alleviates poverty and strengthens society. We hold ourselves accountable to ensure our outcomes will be bold and enduring.

#### SCALE IT

We don't think small. Once tested, we work with partners to adopt and expand our efforts regionally and globally. We engage with decision-makers to carry out our ideas and elevate our impact. We measure success through government and business actions that improve people's lives and sustain a healthy environment.

Maps are for illustrative purposes and do not imply the expression of any opinion on the part of WRI, concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries.



Copyright 2019 World Resources Institute. This work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of the license, visit <http://creativecommons.org/licenses/by/4.0/>.