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Evaluation

Evaluation of UNDP support for climate change adaptation

Executive summary

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I. Background

1. The Independent Evaluation Office (IEO) of UNDP has conducted an evaluation of UNDP achievements and performance in helping partner countries adapt to climate change. The evaluation is part of the IEO workplan (DP/2018/4) approved by the Executive Board in its decision 2018/1 of 2018. The evaluation aims to strengthen UNDP accountability to global and national development partners, including the UNDP Executive Board, and to support organizational learning and improved development effectiveness.

2. The scientific consensus, reflected in the work of the Intergovernmental Panel on Climate Change (IPCC) is that human activities have caused approximately 1.0°C of global warming above pre-industrial levels and that warming is likely to reach 1.5°C between 2030 and 2052 if current trends continue.¹ IPCC reports demonstrate this warming trend will have rapid and far reaching impacts on land, energy, industry, buildings, transport and cities. Impacts will accrue from an increase in the frequency and severity of extreme weather events, a trend that is already evident.² Beyond extreme weather events, wide reaching impacts will accumulate from slow onset crises caused by increasing temperatures, desertification, land and forest degradation, salinity and ocean acidification and sea-level rise.

3. Mitigation and adaptation efforts have expanded substantially in recent years. However, they do not yet approach the scale required to avoid substantial damages to the economy, environment, and human health over the coming decades. The IPCC has calculated that even a 1.5°C of warming, the level targeted by the Paris Agreement, cannot be considered ‘safe’ for most nations, communities, ecosystems and sectors and poses significant risks to natural and human systems.

4. Adaptation costs will be considerable even if the Paris Agreement targets are met, with the Global Commission on Adaptation suggesting a price tag of \$180 billion annually from 2020 to 2030. However, existing estimates of the costs of adaptation are likely to be underestimates due to the ways that direct climate change will likely lead to indirect impacts, dramatically amplifying costs in ways that are very difficult for existing models to predict. In fact, the United Nations Environment Programme (UNEP) has suggested that the limitations of current estimates make it likely that the costs of adaptation could be two-to-three times higher than the range cited in the literature, and four-to five times higher by 2050.³

5. The commitment by developed country parties to the United Nations Framework Convention on Climate Change (UNFCCC) to mobilize an additional \$100 billion of climate finance per year by 2020 to meet developing countries mitigation and adaptation needs is an important component of the global response to climate change. This commitment was to “assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation”.⁴

6. In the absence of a definition of what would constitute “new and additional” resources and a baseline against which progress could be judged, it is difficult to assess the extent to which current trends represent progress against the UNFCCC commitment.⁵ Financing for adaptation is increasing but lags well behind demand, projected requirements and UNFCCC targets. Concessional finance for adaptation has lagged behind finance for mitigation, where private

¹ IPCC, “Global warming of 1.5°C. An IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty”, 2018.

² United Nations Office of Disaster Risk Reduction and Centre for Research on the Epidemiology of Disasters, “Human cost of disasters: An overview of the last 20 years, 2000–2019”, 2020.

³ UNEP, « The adaptation finance gap report, 2016”, Nairobi, Kenya, 2016.

⁴ Report of the Conference of the Parties to its fifteenth session, Copenhagen, 7-19 December 2009.

⁵ Overseas Development Institute, ‘Coding and tracking adaptation finance: lessons and opportunities for monitoring adaptation finance across international and national scales’, ODI, 2012.

investment is a major component, creating an imbalance that runs counter to the Paris Agreement aspiration to achieve a balance between adaptation and mitigation.

7. Unless it acts as a spur for more decisive global action, the COVID-19 crisis will likely have deep repercussions for global efforts to mitigate and adapt to climate change. The strain COVID-19 has placed on public financial resources reduces the fiscal space for governments to meet adaptation and mitigation requirements under the Paris Agreement and finding more sustainable pathways towards development.

8. The COVID-19 crisis also demonstrates that many of the same factors that led to increased vulnerability to climate change also contribute to unsuccessful, weak or ineffective responses to the pandemic.

UNDP support for adaptation

9. UNDP has had a longstanding role in shaping the adaptation agenda and pursuing specific adaptation measures dating back to the Earth Summit in 1992, the Rio Conventions on Biodiversity, Climate Change and Desertification, and the creation of the Global Environment Facility (GEF) as the (then) principal vehicle for implementing the conventions. UNDP has been a lead implementing agency for GEF since its establishment and has expanded its role through participation in new funds established under the UNFCCC, including the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), the Adaptation Fund (all established in 2001), and the Green Climate Fund (established in 2010). Operating under the framework of the climate convention and others relevant to it, UNDP support has an important normative dimension.

10. Leveraging its strong presence on the ground, UNDP has captured a significant share of increasing adaptation commitments and is well placed to continue doing so. Building on a strong portfolio of projects funded under the GEF Trust Fund, LDCF and Adaptation Fund, there has been significant recent growth arising from major commitments from the Green Climate Fund since 2016. UNDP cornered roughly 16 per cent (30 projects, \$1 billion) of new finance made available through the Green Climate Fund, becoming the largest accredited entity for approved projects and the second largest in terms of funding amount. UNDP was particularly successful in mobilizing funds for adaptation projects, which accounted for around 41 per cent (21 projects, \$646.4 million) of GCF adaptation finance, making UNDP the first accredited entity in the GCF adaptation portfolio.

11. The cross-cutting character of climate change adaptation presents challenges for defining climate change adaptation assistance and the scope of UNDP support. According to the Organisation for Economic Co-operation and Development (OECD), which has established a system of markers to track climate-related official development assistance (ODA), UNDP was the channel of delivery for roughly \$2.8 billion of ODA eligible climate change adaptation commitments between 2010 and 2018.⁶ This data shows that ODA for the objective of climate change adaptation was channelled through UNDP in four policy domains: (a) agriculture, forestry, fisheries and , food security;) disaster prevention and preparedness (including recovery) and emergency response and reconstruction; (c) environmental protection and conservation; and (d) water supply and sanitation, with smaller amounts in other categories. UNDP has identified seven thematic areas as being at the core of its support for climate change adaptation: mainstreaming adaptation; livelihoods; ecosystem-based adaptation; food security and agriculture; water and coastal resilience; urban resilience; and climate information and early warning systems.⁷ UNDP estimates that from 2010 to date it has mobilized \$1.4 billion in grants

⁶ For purposes of this evaluation, OECD data is being used rather than the UNDP internal programme database, as it provides a clearer breakdown of the sectoral composition of work undertaken and an ability to position UNDP in the context of global finance for adaptation. Tagging of internal UNDP data suggests UNDP climate change adaptation expenditure was around \$280 million annually in 2018 and 2019 which, while not directly comparable to, is broadly in line with OECD figures.

⁷ See: <https://www.adaptation-undp.org/about>.

from vertical funds and bilateral donors and leveraged \$3.2 billion in co-financing for adaptation projects for 99 countries.

12. Even with its significant share of adaptation flows through vertical funds, the scale of resources UNDP delivers should be kept in perspective. According to data compiled by the OECD, UNDP delivered around 2 per cent of the \$170 billion in ODA commitments made between 2010 and 2018 that identified climate change adaptation as a significant or principal objective.

Evaluation scope

13. The primary focus of this evaluation is UNDP activities that directly contribute to climate change adaptation. In practical terms, this encompasses the subset of UNDP work that has an explicit adaptation objective in project documentation and specific measures that target this objective. However, recognizing the close links between adaptation and development, the evaluation also considered the contributions UNDP makes to adaptation through interventions that do not meet these criteria but directly or indirectly contribute to adaptation. This included consideration of how UNDP is identifying and addressing climate risks across its portfolio.

14. The evaluation looks across the UNDP climate change adaptation offer but gives special attention to UNDP support for countries that are especially vulnerable to climate shocks. Reflecting the prominence of small island developing states (SIDS) in this category, a specific chapter of the evaluation addresses UNDP climate change adaptation support for SIDS.

15. The scope of the evaluation excluded UNDP's support for climate change mitigation.

II. Evaluation findings

UNDP climate change adaptation service offer

16. UNDP has captured a significant share of increasing finance for climate change adaptation and implements an extensive portfolio of programming that stands out for its geographic and sectoral breadth compared to support provided by other development partners. The growth in the adaptation portfolio has enabled UNDP to develop strong expertise in several of the sectors that are critical for adaptation through expansion of its vertical fund portfolio. UNDP has made progress integrating this expertise into its business model in the formulation of the global policy network.

17. Building on these achievements, there is room to clarify and strengthen roles and responsibilities and structures for technical support and oversight of the adaptation portfolio, and collaboration with other key areas of UNDP. While there is a well-organized structure for technical oversight and support of the vertical fund portfolio, with clear benefits for pipeline development and oversight, the same cannot be said for projects and programmes funded from other sources – even the task of identifying these in UNDP systems is difficult.

18. Lacking such systems, UNDP has defined the sphere of its support for climate change adaptation as being almost entirely funded by vertical funds. Only four of the 125 projects under implementation identified by UNDP as comprising its climate change adaptation portfolio are funded directly by bilateral donors. According to data compiled by the OECD, bilateral funding of UNDP programmes is equally if not more significant than funding accessed from vertical funds. This includes, for example, major longstanding programmes in agriculture and food security, projects funded through the European Union Global Climate Change Alliance Plus Initiative, major urban resilience initiatives, and work on a wide array of climate information and early warning systems funded through small and large disaster risk reduction initiatives.

19. Without a system for tracking the extent of its climate change adaptation efforts, UNDP has struggled to develop effective models for cross-team collaboration as a basis for the design of more integrated solutions for climate change adaptation and climate proofing of the UNDP development portfolio. One area where effective collaboration will be critical is between the UNDP disaster risk reduction team in the Crisis Bureau and the climate change adaptation team

located in the Bureau for Policy and Programme Support. The cyclical and event-focused nature of crisis programming means there is a risk that the energies of UNDP disaster risk reduction experts will be consumed by reactive and short-term needs. Growth in adaptation finance for disaster risk reduction means that most of the long-term risk reduction work is managed by the climate change adaptation team in the Bureau for Policy and Programme Support.

20. Uncertainty about global emissions pathways and the impact of different outcomes will require the development of adaptation strategies that place a premium on learning by doing and adaptive management. UNDP results management systems and culture fall well short of what is needed for this to happen consistently well.

Strategic positioning

21. UNDP provides extensive support across domains and geographic regions where adaptation will be central to ensuring development gains are not eroded by climate change. Within the different domains it is working in, UNDP has varied in the extent to which it has been able to target core adaptation priorities, with some gaps and persistent challenges identified. These point to the need to continue refining UNDP articulation of its adaptation service offers, how these link to mainstream development programming, and how they complement the strengths of United Nations partners and other development actors.

22. UNDP has played an important role as a bridge between global commitments under the climate convention and other international environmental agreements vital to climate action and has facilitated access to climate finance. UNDP global efforts to protect biodiversity and prevent deforestation reinforce climate adaptation objectives. An ongoing challenge in UNDP ecosystem-based adaptation work is balancing socioeconomic and ecosystem dimensions.

23. UNDP is an important global advocate for improved disaster risk reduction and a leader in this area in the United Nations system. UNDP can point to examples of sustained focus on disaster risk reduction delivering significant outcomes. Overall, UNDP disaster risk reduction interventions have often had modest resources and short timeframes, frequently in the context of response efforts, thus decreasing the likelihood of sustained achievements. Adaptation finance is providing an opportunity to correct this imbalance.

24. The UNDP role in agriculture and food security is limited compared to some other United Nations partners but includes a large number of initiatives, reflecting the importance of agricultural development to poverty reduction and rural livelihoods. While there are good practice examples in the portfolio, there is a pattern of vagueness about what is needed for targeted and effective climate change adaptation for small, poor agricultural producers in risk-prone agroecological zones which should be addressed.

25. The need for concerted efforts to address climate change and associated extreme weather risk has been well integrated into UNDP programming on water governance.

26. UNDP country offices, backed by expertise in regional and global offices, are an important platform for partnerships supporting the key international frameworks for action on climate change. There is scope for UNDP to further systematize its relationships with other partners, grounded in a deeper understanding of respective strengths and limitations of the key organizations involved.

27. UNDP strategies recognize the importance of private sector finance in bridging the adaptation finance gap. While progress on these public-private partnerships has so far been limited, there are initiatives underway to introduce new instruments, including partnerships to expand insurance cover against disaster and climate shocks. Successful expansion of capabilities in new areas, such as introduction of new financing mechanisms, or scaling up of support for insurance, will require strong prioritization and careful choices.

Programme design

28. UNDP has progressively developed more rigorous methods for incorporating climate science into project designs, driven by increasing expectations from vertical funds. New

projects financed by the Green Climate Fund should yield opportunities for greater influence and impact at scale.

29. There is scope for UNDP to improve the quality of designs and position them to obtain more influence and impact in a number of areas, with two areas requiring urgent attention.

30. First, UNDP is not systematically considering climate risk across its development portfolio. There is currently a significant bias towards rating projects low risk, increasing the likelihood that with inadequate assessments and management measures in place they will eventually harm people and the environment. Using stronger climate risk screening as a basis for identifying priorities, UNDP also needs to expand the application of rigorous methods for incorporating climate science into project designs beyond projects funded by vertical funds.

31. Second, UNDP needs to strengthen its strategic clarity of how programmes and projects will leverage policy and system changes at scale. Weak articulation of impact pathways was sometimes evident in the adoption of pilot projects as vehicles for policy influence, as well as in the focus of many country programmes on production of plans, policies and legislative changes. Effective mainstreaming of climate risk in policymaking is a serious long-term challenge, which will require persistent and politically informed advocacy on where and how policies and institutions need to be reformed. Pilots can be an effective tool in this task but need to be supported by focused attention on rigorously evaluating and communicating results, something often lacking in the interventions reviewed.

32. Other areas that will require sustained attention and efforts in design are in: establishing projects that can be sustained over multiple programme cycles; proactively breaking down internal silos that prevent the establishment of more integrated solutions to climate-related vulnerabilities; and ensuring there are concrete and well-researched objectives to improve gender equality across the adaptation portfolio.

Support for small island developing states

33. While small island developing states are diverse, they exhibit characteristics that make them highly vulnerable to environmental and economic shocks and they face disproportionately higher risks of adverse consequences from global warming. SIDS vulnerability to climate change makes them a key constituency for UNDP in driving climate action and supporting adaptation to new and emerging climate risks.

34. UNDP has by far the biggest presence in SIDS of any United Nations system organization. According to a recent United Nations multi-country office review 2019, UNDP has around 400 personnel spread across 33 SIDS, which is roughly double the number of personnel and country presence of the next most significant United Nations entity.

35. UNDP presence on the ground provides it with some advantages in helping island states adapt to climate change, including an important role in facilitating countries' access to finance available through vertical funds. As evidenced by project, country and thematic evaluations, and regular progress reporting, UNDP support for SIDS is generally effective and well managed. However, UNDP faces several notable challenges in expanding and improving the effectiveness of its support to SIDS. The small size of SIDS means UNDP support is mostly managed under multi-country office arrangements, which constrains oversight, and engagement and the ability to deliver tailored solutions. UNDP capacity to support SIDS is also constrained by the limited availability and predictability of programming resources outside of those it accesses through vertical funds or intermittent responses to humanitarian crises.

III. Conclusions

36. Conclusion 1. UNDP has been effective at using its country presence to capture a significant share of increasing adaptation commitments channelled through vertical funds. UNDP has developed a comprehensive climate change adaptation service offer, providing extensive support across geographic regions and sectors that are exposed to climate risk. This provides UNDP with a solid platform to work from in driving home the

need for an accelerated and scaled up response to climate risk.

37. While UNDP is a small provider of climate change adaptation services in the context of global finance for adaptation, it has two notable strengths.

38. First, UNDP has captured a significant share of the growth in adaptation finance channelled through vertical funds and is notable for the geographic and sectoral breadth of its support compared to other development actors, within and outside of the United Nations. Since 2010 UNDP has mobilized over \$2.8 billion for projects across some 100 high, middle and low-income countries, including 43 least developed countries and 16 SIDS, touching the lives of over 82 million people. UNDP ecosystem-based adaptation projects promote understanding of the importance of natural assets such as mangroves, reefs, riparian vegetation and native forests for tackling the climate crisis. Programmes focused on biodiversity and protected area management and reducing emissions from deforestation provide adaptation benefits in the form of watershed, coastal and marine asset protection and sustainable livelihoods. Transboundary and country-level efforts protect vital freshwater and marine ecosystems threatened by climate change. Agriculture and food security work reflects the importance of this area to poverty reduction, especially in sub-Saharan Africa and its high exposure to climate risks. UNDP accounts for around one quarter of the resources channelled through the United Nations for disaster risk reduction and is one of the top two United Nations providers of this support.

39. Second, UNDP utilizes its global presence as a ballast for the normative work of the United Nations and international cooperation on climate action, working cooperatively with leading United Nations actors such as UNFCCC, United Nations Office for Disaster Risk Reduction (UNDRR), UNEP and the Food and Agriculture Organization of the United Nations (FAO). In doing so, UNDP has provided a bridge between global commitments under the climate convention, Sendai Framework, and other international agreements key to climate change adaptation, and country and local action, including by facilitating access to climate finance. UNDP is a leading global advocate for improved disaster risk reduction and climate action globally, including through a significant platform of support for SIDS, which have played an outsized role in drawing attention to the need to address climate change on the international stage.

40. Conclusion 2. UNDP has established a considerable body of work and associated expertise in sectors critical for adaptation, including policy mainstreaming, disaster risk reduction, agriculture and food security, environmental protection and ecosystem-based adaptation and water and coastal resilience. UNDP capabilities, strategic positioning and comparative advantage in these sectors and among country offices is uneven, with some aspects of its offer needing further definition.

41. UNDP has an extensive programme of support for addressing climate-related disaster risks ranging from disaster risk assessments, and preparedness and community-based DRM through to recovery and response work, with an emphasis on building back better. Disaster risk reduction work is now split between two bureaus, with the bulk of the funding overseen by the climate adaptation team in the Bureau for Policy and Programme Support, reflecting success in mobilising resources from vertical funds for climate change adaptation work. However, substantial underutilized expertise remains in the Crisis Bureau, where there is a major risk it will be absorbed into response activities.

42. UNDP extensive efforts to protect biodiversity and prevent deforestation are extensive and reinforce climate adaptation objectives. A continuing challenge in UNDP ecosystem-based adaptation work is balancing socioeconomic and ecosystem dimensions.

43. The need for concerted efforts to address climate change and associated extreme weather risk has been well integrated into UNDP programming on water governance.

44. UNDP carries out a range of adaptation initiatives in agriculture and food security but has not developed a service offer to codify its strengths and desired positioning in this area. Missing from many projects is the need for targeted and effective adaptation measures to support small, poor agricultural producers in risk-prone agroecological zones.

45. Conclusion 3. There has been progress in integrating vertical funds within the UNDP business model, although much more needs to be done in this area. Mechanisms for collaboration between technical teams – important for countering fragmentation and mainstreaming consideration of climate change across UNDP – are still at an early stage of development.

46. There is a lack of effective collaboration between technical teams, reflecting the close connection of different advisory cadres to the requirements of their funders. Weaknesses in this area are evident in the fact that UNDP has defined the sphere of its support for climate change adaptation almost entirely in terms of projects funded by vertical funds. The actual scope of UNDP support and climate risks exposures are broader and more diverse. The existence of parallel information systems for vertical fund finance reinforces this separation between different business lines.

47. Reflecting differences in funding streams, and the impacts of corporate restructuring, UNDP staff capacity in disaster risk reduction has declined, despite significant growth in finance for disaster risk reduction mobilized through vertical funds. The positioning of the UNDP disaster risk reduction team in the Crisis Bureau creates an additional risk that its attention is taken by reactive and short-term demands tied to the cyclical and event-focused nature of crisis programming. Strong measures are needed to counter this risk so that UNDP can effectively promote the merits of prevention and risk informed solutions to face the slow onset crisis of global warming.

48. Conclusion 4. UNDP has progressively increased the rigour with which it incorporates climate science into the design of adaptation projects resourced by vertical funds.

49. The absence of reliable meteorological data and long-term projections of climate variability and trends constrain the ability of local communities and authorities to design appropriate adaptation strategies. As a result, even projects that have an explicit focus on adaptation have struggled to incorporate climate science and implications in the design of activities. Addressing this challenge, UNDP has increased its attention to climate risks in design processes associated with the vertical funds, and there has been some improvement in scenario-based project designs. UNDP is also making a significant investment in developing the climate information infrastructure, which will be critical in addressing gaps in the knowledge base.

50. Conclusion 5. The changing climate has implications for most UNDP development programming, yet climate risk is not being systematically considered and mainstreamed.

51. UNDP has established screening procedures and standards that aim to ensure all UNDP projects are resilient to climate risk. However, there are significant and longstanding weaknesses in the application of this system, with a bias towards rating projects low risk, increasing the likelihood they will eventually do harm to people and the environment. Recognition of climate risk exposures has been noticeably absent in some of the largest crisis interventions with activities in climatesensitive sectors.

52. Conclusion 6. With limited resources, it is a struggle for UNDP in many country contexts to leverage the substantial policy and systems changes that will be required for successful adaptation to climate change.

53. While targeted local initiatives provide valuable tangible results, the key test of UNDP value as a development partner relates to its capacity to positively influence policy and systems improvements at scale. The extent to which UNDP can address the adaptation needs of partner governments is constrained by contextual factors, short-term project cycles and funding constraints. Given the continuing bias of governments and aid donors towards funding disaster response and recovery means, it is difficult to place adequate emphasis on preventative measures focused on disaster risk reduction and medium to long-term adaptation. The short-term funding cycles of many key donors, and lack of predictability around partner government and donor priorities, presents challenges to aligning priorities and resources and to optimizing coordination and collaboration rather than competition. The different emphases and priorities

of funding streams for adaptation, which cut across climate, humanitarian and development realms, undermine the objective of developing more integrated responses to climate risk.

54. In this context, and with some exceptions, UNDP has struggled to ensure that the breadth of its support is equalled by the depth, quality and longevity of engagement necessary to maximize policy and system impacts. The UNDP core challenge is that its resources – technical and financial – are spread thinly across its extensive office network. In many of the contexts in which UNDP works, resources are extremely limited relative to demand, especially in countries that do not attract significant official development assistance, and where fiscal constraints limit prospects for local cost sharing. UNDP success in mobilizing funds for adaptation projects from GCF provides it with an opportunity to step up the scale of its support in many countries. The key to maintaining this momentum will be the ability of UNDP to establish projects and programmes that blend different sources of finance, working in concert with multiple partners.

55. Conclusion 7. There are some persistent weaknesses in the identification of plausible pathways for leveraging policy and system changes and in systems for supporting learning and accountability.

56. Regardless of the scale of the finance it can mobilize, there is scope for UNDP to better utilize available levers for influencing policy and systems changes in its adaptation work. There is room to improve strategic clarity regarding intended pathways for influencing policy and systems changes in programme and project designs. UNDP implementation of pilots as a mechanism for policy influence has often lacked strong justification or carefully designed steps to evaluate and communicate results and incorporate lessons in sector programmes, plans and decision-making. Achievement in such cases has usually been limited, with pilot projects not scaled up or replicated. Another tendency was for UNDP to focus on developing or revising plans, policies or guidelines on paper, without an accompanying focus on the quality and downstream impact of these measures.

57. Addressing these challenges will require improvements in UNDP results management systems. These do not effectively capture the impact of its investments in promoting adaptation, or the nature and scope of UNDP influence, given contextual enablers and constraints. They are not currently promoting a robust internal discussion about performance, falling short of what is required for effective adaptive management and learning, critical given uncertainty about global emissions pathways.

58. Conclusion 8. UNDP provides extensive and valued climate change adaptation support for SIDS. However, SIDS vulnerabilities, and the challenges of supporting them through multi-country offices, are not factored into UNDP policies, which constrains its ability to provide tailored support.

59. Due to their small tax bases and high exposure to natural hazards, SIDS are prominent at the top of economic vulnerability indices. The COVID-19 crisis has again exposed these vulnerabilities, with SIDS economies facing particularly devastating consequences compared to other countries, and many facing an untenable choice between debt service obligations and cuts to basic services.

60. The challenges UNDP faces in supporting SIDS are more acute than for other countries. SIDS fiscal constraints reduce the potential for resource mobilization from government partners. ODA to SIDS is highly concentrated on a small number of countries, which limits resource mobilization opportunities. As is highlighted by the recent IEO evaluation of UNDP development support services for middle-income countries, the UNDP resource allocation model does not account for factors beyond population and per capita income, which are crude measures of need. These factors lead to a dependency on vertical funds, or volatile humanitarian flows, for climate change adaptation programming in SIDS.

61. Economies of scale limit UNDP capacity to establish an on-the-ground presence in most SIDS, leading to multi-country office operational arrangements that reduce opportunities for effective oversight and policy engagement and increase challenges in tailoring adaptation programme support to country needs.

IV. Recommendations

62. Recommendation 1. UNDP needs to accelerate its attention to mainstreaming consideration of climate risks across its entire development portfolio.

63. This will require more rigorous application of the UNDP social and environmental safeguards policy in project formulation and monitoring, and tailored guidance and advice on how to assess and mitigate the risks of climate change and variability in different sectors, with a focus on climate exposed sectors. Periodic spot-checks of the application of climate risk screening policies would then be in order.

64. This will also require increased clarity in UNDP programmes, based on the scientific evidence, about the magnitude of the medium and long-term risks presented by climate change and actions required to address them. While outcomes of climate change mitigation efforts will determine the profile of these risks and their consequences, scaled up adaptation efforts are required now, even under the most optimistic mitigation scenarios.

65. Recommendation 2. UNDP should establish a system for tracking all investments that have significant climate change objectives, ensuring these are provided with appropriate technical support, oversight and visibility as part of the UNDP adaptation portfolio and as a basis for strengthening internal collaboration.

66. The objective should be to ensure all projects that have significant adaptation objectives are supported to integrate the best available methods for incorporating climate science into project design and implementation and are recognized as part of a portfolio that cut across a significant proportion of UNDP business. This would also support better coordination between vertical fund programming and other funding streams, as well as continuing efforts to improve coordination among climate and disaster risk reduction personnel across the UNDP policy and crisis bureaux.

67. Recommendation 3. UNDP should take steps to reduce fragmentation across its climate change adaptation programming, to more effectively achieve intended benefits at scale.

68. To address fragmentation and more effectively promote realization of intended benefits at scale, UNDP should look for opportunities to establish larger programmes that blend development and adaptation finance, working in concert with multiple partners. Regardless of the scale of the finance it brings to bear, UNDP should increase attention to scalability in project selection and design and be more explicit in articulating how benefits will be realized beyond pilot project boundaries. UNDP should also seek to build on the success of its GEF international waters model, establishing more multi-phase projects working on the same geographic areas and sites, especially in cases where benefits can only be expected to become evident over longer time frames.

69. Recommendation 4. UNDP should improve the technical underpinnings of its adaptation service offer in each sector, with special attention given to strengthening capacities in disaster risk reduction.

70. Given the importance of disaster risk reduction for adaptation efforts, steps should be taken to strengthen UNDP capabilities in this area, capitalizing on the growing allocation of ODA for disaster risk reduction associated with the emphasis on climate change adaptation.

71. With respect to agriculture and food security, a clearly articulated set of UNDP programme objectives and guidelines would help bring greater strategic coherence to the organization and its regional and country offices, given UNDP comparative advantages. Opportunities include increasing coordination with specialized United Nations and non-United Nations agricultural organizations to help governments design adaptation solutions, and facilitating multi-stakeholder collaborations to generate more transformative innovations for adaptation.

72. UNDP should seek to increase the rigour of its evaluation techniques across its adaptation portfolio, capitalizing on lessons from the application of impact evaluation techniques in its portfolio of recently established UNDP GCF projects.

73. UNDP should seek to systematize engagements with academic institutions at the global and regional levels in order to strengthen the scientific underpinnings needed to consider climate risk in the design, implementation and evaluation of UNDP projects and provide iterative feedback on how to strengthen them.

74. Recommendation 5. UNDP should expand its adaptation support in small island developing states.

75. Recognizing the specific vulnerabilities and high costs of operating in SIDS, UNDP should prioritize its climate change adaptation support to these countries. This should include giving priority to SIDS in the allocation of existing flexible funding mechanisms, amending the resource allocation policy to enable increased core resource allocation for SIDS, and revising the policy governing funding of differentiated physical presence to reduce expectations for SIDS local office contributions. Such measures are important both in recognition of existing vulnerabilities but also in anticipation of growing vulnerabilities, given the risks posed by global warming.

76. Action taken on these fronts would be consistent with UNDP Executive Board-accepted recommendations of the recent IEO evaluation of UNDP support services to middle-income countries. It would also be in line with the views of the Secretary-General, expressed in his 2020 report on the implementation of General Assembly resolution 71/243 on quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/75/79), that the United Nations development system should explore new multi-dimensional ways of assessing country needs that go beyond country typology and national income and take into account vulnerability aspects.

77. Recommendation 6. UNDP should establish clear priorities for private sector engagement on climate change adaptation.

78. Private sector engagement and scaling up private finance has a critical role to play in adaptation, and UNDP can benefit from a prioritized strategy for strengthening its engagement in this area. Deepening engagement with the private sector will require significant investment, strong prioritization, careful choices and clear metrics to assess impact. Limitations in the availability of technical and financial resources implies the need to focus on a limited number of priorities, which can be addressed well and provide the basis for progressive expansion.

79. Recommendation 7. UNDP should strengthen the gender equality dimensions of its policy and capacity-related support in adaptation-related programming.

80. Attention to strengthening gender mainstreaming should focus on weaknesses in policy and capacity-related support in the environmental protection portfolio. Practical and well-researched objectives should be established in adaptation programming to improve gender equality results. Adopting context-sensitive gender approaches and strengthening the resilience of women to negative impacts of climate change on ecosystems are crucial to the success of environmental programming.

81. Recommendation 8. To better coordinate across an increasingly complex portfolio of environment projects, including for climate change, UNDP should take steps to upgrade its information management system and avoid running separate/parallel information systems for specific programme portfolios.

82. The development of a separate information system for the GEF portfolio highlights deficiencies in the UNDP mainstream project management system and suggests that the solution is not to dissolve personnel information management systems but rather raise the capabilities of the corporate information system.

83. Having two separate project management systems that serve essentially the same purposes is not an efficient use of UNDP resources. It also reinforces continuation of parallel business models, which potentially undermines the objective of better integrating vertical fund finance within UNDP operations.

84. Other potential efficiencies could be gained by increasing the efficiency of mechanisms for tracking and aggregating results across the UNDP portfolio. This will contribute to addressing a broader challenge with current UNDP systems, which is to ensure requirements are kept simple, in order to ensure there is space for more adaptive and flexible approaches to managing and accounting for results. Currently, reflecting vertical fund and internal requirements, there are a large number of indicators on which UNDP is obliged to collect data. To the extent there is flexibility, UNDP should focus on prioritizing its core information requirements to minimize the reporting burden for staff on the ground, focused on those indicators that best capture the value of its adaptation work.
