

Adaptation Fund Board
Ethics and Finance Committee
Thirty-Eight meeting
Bonn, Germany

WORK PROGRAMME UPDATE OF THE TECHNICAL EVALUATION REFERENCE GROUP OF THE ADAPTATION FUND (AF-TERG) ANNUAL REPORT FOR FISCAL YEAR 2025 - 2026 (FY26)

Strategic Issues

- The Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) has been operational since 1 July 2019 and is comprised of an independent group of five members, including the Chair who provides strategic leadership. The group is supported by a full-time secretariat (AF-TERG Secretariat).
- The AF-TERG takes direction from the Board through the Ethics and Finance Committee (EFC), and its multi-year work programme and annual budget are approved by the Board. The AF-TERG collaborates and coordinates with the AFB Secretariat to ensure synergies and synchronize outreach to the Fund's stakeholders.
- The AF-TERG is currently delivering on its second multiyear work programme for FY25-27, approved by the Board in April 2024 (AFB/EFC.33/.6/Rev.1).
- This report provides an annual progress update on the AF-TERG's work programme for FY26. It also seeks EFC direction on three issues: (a) development of an annual work plan and budget for FY28; (b) deferral of the review of the Evaluation Policy; and (c) progression from observer status to membership of the United Nations Evaluation Group (UNEG).

Purpose

1. The Chair of the AF-TERG presents this annual progress report to the Ethics and Finance Committee on the work of the AF-TERG for the fiscal year 2025 – 2026 (FY26), as well as a biannual update on progress from April to September 2026. All activities are in line with the AF-TERG's second multi-year work programme (2025 – 2027) (referred to as 'WP2').
2. The report is presented in two sections: a summary progress update for FY26 (Part I); followed by detailed updates on each of the three workstream areas, including progress during the biannual period from April to September 2026 (Part II).

3. Two accompanying annexes include the following: Annex 1: Summary of the AF-TERG external outreach activities in the reporting period; Annex 2: Progress update on the Comprehensive Evaluation (CE).
4. The AF-TERG is also separately submitting to the EFC's thirty-eight meeting the following documents, as follows:
 - a Report on the Medium-Term Review of the Adaptation Fund's Second Medium-Term Strategy (MTS II) (AFB/EFC.38/11).
 - b Report on the Evaluation of the Processes and Systems Supporting Governance for Enhanced Performance of the Adaptation Fund (AFB/EFC.38/10)
 - c Options for an Independent Evaluation of the TERG (AFB/EFC.38/12)
 - d Second progress report on the implementation of the Evaluation Policy and the second Management action tracker (AFB/EFC.38/9)

Proposed recommendations to the Board

5. The EFC, having reviewed document AFB/EFC.38/9, recommends the Board to:
 - a) Request the AF-TERG and the AFB Secretariat to continue working towards the finalization of the Comprehensive Evaluation of the Adaptation Fund and the Management Response to the evaluation and submit them together to the Board no later than sixty days prior to the forty-eight meeting of the Board.
 - b) Request the AF-TERG to develop a draft annual workplan and an associated budget for FY28, and present these to the EFC at its thirty-ninth meeting. This approach takes into consideration the planned review of the AF-TERG, while also ensuring that the implementation of the review does not hamper ongoing work by the AF-TERG.
 - c) Defer the review of the Evaluation Policy so that it is sequenced to take place after the independent review of the AF-TERG.
 - d) Support the continued engagement of the AF-TERG in the United Nations Evaluation Group, and its application to move from observer status to membership.

Part I: Summary annual progress update of the second work programme of the AF-TERG (FY26)

6. Over FY26 (July 2025 – June 2026), the AF-TERG successfully delivered several evaluation studies, in line with its approved WP2, as follows:

- (i) Medium-Term Review of the Adaptation Fund's Second Medium-Term Strategy (MTS II) (AFB/B.46-B.47/Inf. 1 and AFB/EFC.38/11)
- (ii) Evaluation of the Processes and Systems Supporting Governance for Enhanced Performance of the Adaptation Fund (AFB/EFC.38/10)
- (iii) Thematic evaluation of the Readiness Programme (AFB/B.46/15)
- (iv) The first implementation progress report of the Fund's Evaluation Policy (AFB/EFC.36/8)
- (v) First management action tracker (MAT) (AFB/EFC.36-37/Inf.3)
- (vi) Two completed ex post evaluations in Mauritania (AFB/EFC.36-37/Inf.1), and Eritrea (AFB/EFC.36-37/Inf.2).

7. A substantial focus of the AF-TERG's work this fiscal year was on advancing the comprehensive evaluation of the Fund (CE). The first draft report has been developed and shared with the AFB Secretariat, and is undergoing review, fact checking, and sense making discussions.

8. In the period July 1, 2025 – April 15, 2026, the AF-TERG operated with four members, including the Chair. Following a competitive recruitment process, Mr. David Rider Smith was appointed as a new AF-TERG member in April 2026 bringing the AF-TERG to its full complement of five members.

9. Additionally, the recruitment at the AF-TERG secretariat was also completed and Mr. Aneesh Kotru joined as Evaluation Analyst (ETC) in April 2026. The AF-TERG is on track to complete all its activities in WP2 by June 2027. A snapshot of progress for each of the three workstream areas¹ for FY26 is presented in Table 1 below.

Table 1: Summary implementation status of the AF-TERG multiyear work programme for FY26

Work element	Activity	Annual progress update
Workstream 1: Generation of evaluations		
Evaluation management Function	(a) Comprehensive evaluation (CE) of the Adaptation Fund	Ongoing, to be completed in FY27: <i>Le Group Conseil Baastel Ltee</i> was selected through an open international procurement process. The first draft evaluation report was delivered in July 2026.
	(b) Midterm review (MTR) of the Second Medium-Term Strategy (MTS-2) of the Adaptation Fund	Completed, to be presented at B.47: <i>Agulhas Applied Knowledge Ltd</i> was selected through an open international procurement process. The draft report and management response were shared with the Board intersessionally through document AFB/B.46-47/Inf. 1. The final report is shared with the EFC through document AFB/EFC.38/11.

¹ Detailed information is available at: <https://www.adaptation-fund.org/about/evaluation/>

	(c) Evaluation of the systems and processes supporting governance for enhanced performance of the Adaptation Fund	• Completed, to be presented at B.47: A joint venture of <i>Agulhas Applied Knowledge Ltd</i> and <i>IOD PARC</i> were selected through an open international procurement in August 2025. An evaluation advisory group provided strategic steer to the work. The final report is submitted to EFC through document AFB/EFC.38/10.
	(d) Thematic evaluations #4 - Readiness programme	Completed, presented at B.46: The evaluation is intended as a key input to the Fund's new Readiness Strategy and is a building block of the CE. The final report, with the management response, was submitted to EFC intersessionally through document AFB/EFC.36-37/1 and the Board took note of the report and the management response contained in document AFB/B.46/15 through decision B.46/5.
	(e) Thematic Evaluation #5 – Climate Change and Health in the Adaptation Fund.	• Procurement initiated, to be completed in FY27: The Board requested AF-TERG to initiate the work on a thematic evaluation on climate change and health in the Adaptation Fund through para (b) of decision B.46/56. The procurement for a vendor to implement the evaluation is underway and the work is expected to start in October 2026.
	(f) Ex post evaluations	• Completed: (i) The ex post evaluation in Mauritania (#5) (Evaluator: <i>Le Group Conseil Baastel Ltee</i>) was shared with the Board through document AFB/EFC.36-37/Inf.1. (ii) The ex post evaluation in Eritrea (#6) (Evaluator: <i>Universalis</i>) was shared with the Board through document AFB/EFC.36-37/Inf.2. (iii) The ex post in Ghana (#8) was completed (Evaluator: <i>ICF International</i>), and an update for the Board is provided intersessionally through document AFB/EFC.37-38/1; • On-going: An ex post evaluation in Cuba (#7) was launched (Evaluator: <i>Le Group Conseil Baastel Ltee</i>), but field work was delayed due to external factors. Procurement has been initiated for the next batch of ex post evaluations (#9-#12) in Peru, Belize and South Africa.
Advisory function	(g) Evaluation Policy guidance based on emerging demand	• Completed: As per decision B.45/52, paragraph (e), guidance note (no.14) on <i>Baseline Data Reports</i> was developed in consultation with the AFB Secretariat and will be translated into French and Spanish for dissemination to Fund stakeholders.
Oversight function	(h) Tracking of evaluation policy implementation and	• Completed: The first implementation progress report of the Evaluation Policy, developed with inputs

	evaluation recommendations in collaboration with the AFB Secretariat	from the AFB Secretariat, was submitted to EFC through document AFB/EFC.36/8. • Completed: The first management action tracker (MAT) was submitted to EFC intersessionally through document AFB/EFC.36-37/Inf.3.
Workstream 2: Evaluation utilization		
	(i) Collaborative studies with others for contribution to the knowledge management system of the Fund	• Completed: The second phase of the joint study with evaluation units of peer climate funds: “Piloting AI applications in Climate Change Evaluation – Forestry Related Projects” was completed in February 2026 and presented to the Board in April 2026 through document AFB/EFC.37/5; • Under finalization: The AF-TERG together with UNEP Copenhagen Climate Center (UNEP CCC) has supported a study on lessons learned from the Adaptation Fund portfolio for monitoring and evaluation systems with potential applications to loss and damage. The findings of the study will be presented in a workshop involving relevant organizations in early 2027 and further refined for publication.
	(j) Communication and knowledge management, in collaboration with the AFB Secretariat.	• On-going: AF-TERG section of the AF website is regularly updated to reflect the latest work of the AF-TERG. A draft internal communication strategy is under development to disseminate findings of the evaluations, while remaining complementary with the overall communication work of the AF with the view to ensure synergies and synchronized outreach to Fund’s stakeholders; social media channels continue to be used. AF-TERG continues to provide inputs on knowledge management to the AFB Secretariat based on demand.
	(k) External engagement and outreach	• On-going: The AF-TERG participated in eight in-person and virtual events; and continues to participate in the meetings of the evaluation units of the five funds.
Workstream 3: Evaluation capacity development		
	(l) Collaboration with the AFB Secretariat on Evaluation capacity development	• Under finalization: Online training course for implementing entities on the Evaluation Policy is under development (launch expected by the end of 2026); AF-TERG regularly joins webinars and capacity development events of the Fund and Fund stakeholders.
	(m) Independent review of the AF-TERG	• To be initiated: In response to Board decision B.46/56, the AFB Secretariat Manager and the AF-

		TERG Chair will jointly present an approach to the EFC at B.47.
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Part II: Detailed information update

This section presents detailed annual progress on WP2 for FY26 against all three workstreams. It also includes a biannual update on work undertaken during the period from April to September 2026, following the AF-TERG's previous report to the EFC.

Workstream 1: Generation of evaluations

Evaluation management function:

(a) The Comprehensive Evaluation of the Fund

10. **Background:** The AF-TERG's first multi-year strategy and work programme included an overall evaluation of the Fund. The Board reviewed the options presented by the AF-TERG (AFB/EFC.31/Inf.2, paras. 16 - 20) and adopted a phased approach (AFB/B.39/14, decision B39/57).² The first phase involved a Rapid Evaluation study that was delivered to the Board in August 2023 (AFB/EFC.32/.6/Rev.2). The second phase includes the delivery of a Comprehensive Evaluation (CE) of the Fund which uses a building block approach, i.e., drawing on existing evidence plus new evidence generated by the AF-TERG and AFB Secretariat. The evaluation is intended to contribute to the development of the Fund's Third Medium-Term Strategy (2028-2032), and Board decision B.39/57 required both the CE report and a management response to be delivered 60 days before B.47 (i.e. by August 2026).

Progress: The CE began in May 2025, and the inception report for the evaluation was finalized in August 2025. The evaluation team completed a desk review and launched four country case studies, submitting a formal progress report in December 2025. Qualitative data collection continued through January 2026 and included 46 key informant interviews and four focus group discussions. A January 2026 workshop that included the active participation of the AFB Secretariat was followed by an additional progress report in March 2026, which was submitted to the Board at its forty-sixth meeting in April 2026 as part of document AFB/EFC.37/3. The evaluation analysis has been completed in July 2026, and draft report has been shared with the AFB Secretariat. A progress summary is included in Annex 2 to this report.

11. **Forward priorities:** The AF-TERG and the AFB Secretariat are conducting final fact checking and sensemaking of the draft report. Given the scale of the report, the depth of analysis and findings, some additional time is required to complete these tasks prior to submitting the report and the management response to the Board. The AF-TERG and AFB Secretariat are

²Available at: https://www.adaptation-fund.org/wp-content/uploads/2023/08/AFB.EFC_.32.6.Rev_.2_Rapidevaluation-Rev.2.pdf

therefore requesting a submission of the report intersessionally with a final presentation proposed to be made at the B.48.

(b) Midterm review (MTR) of the Second Medium-Term Strategy (MTS-2) of the Adaptation Fund

12. Background: Through decision B.40/72, the Board requested the mid-term review (MTR) of the Fund's Medium-Term Strategy 2023-2027 (MTS2). The main objective of this evaluation is to assess the progress of the Adaptation Fund towards the MTS2 and its Implementation Plan in a dynamic climate change context. The MTR also has a secondary objective of identifying lessons from the implementation of the MTS2 that can inform the remainder of its implementation. The evaluation is one of the main building blocks of the CE.

13. Progress: The MTR was initiated in March 2025, and an inception report was delivered in June 2025. Initial findings were presented to the AFB Secretariat through a validation workshop in December 2025, feedback was incorporated, and a revised draft was shared with the AFB Secretariat in February 2026. The final report with the management response was submitted to the Board in July 2026 through document AFB/B.46-47/Inf.1.

14. Overall, the evaluation concludes that MTS2 has maintained strategic coherence while enabling adaptive responses to a rapidly evolving adaptation finance context. The Fund has made measurable progress in operationalizing selected strategic priorities, particularly through the establishment of LLA windows and policy-level reforms. At the same time, persistent challenges remain in translating strategic intent into routine decision-making, strengthening monitoring and accountability systems, and ensuring that delivery capacity keeps pace with expanding ambition. As preparation for MTS3 begins, there is a clear opportunity to embed lessons from MTS2 implementation more explicitly into strategy design, operational integration, and resource alignment from the outset.

15. Forward priorities: The final report with recommendations and management response is submitted to the EFC through document AFB/EFC.38/11.

(c) Evaluation of the systems and processes supporting governance for enhanced performance of the Adaptation Fund (G/PS)

16. Background: The Board has mandated that one key building block for the CE would be an assessment of the processes and systems that support effectiveness and efficiency in the governance of the Fund (G/PS) (decision B.39/57 in relation to document AFB/EFC.30/11). The G/PS evaluation therefore focused on a sub-set of processes and systems related to the Fund's internal governance and especially those issues that have thus far not been evaluated, including relevant evidence gaps identified in the Rapid Evaluation Study.³ The Terms of Reference for this

³ Available at: <https://www.adaptation-fund.org/document/decision-document-for-the-thirty-ninth-meeting-of-the-adaptation-fund-board/>

work were developed with inputs from the AFB Secretariat following the presentation of an approach paper to the Board through a webinar on 6 March 2025, and to the EFC at its thirty-fifth meeting in April 2025 (AFB/EFC.35/.8). The evaluation covered the period from April 2017 to December 2025.

17. Progress: The final evaluation report is presented to the EFC at its thirty eighth meeting through document AFB/EFC.38/10. The report recognizes that the evaluation takes place at a critical juncture for the Adaptation Fund as it adapts to both internal strategy shifts and a rapidly changing context for global climate finance. It is primarily designed as an evidence-based, learning-focused assessment to inform improvements in governance processes and systems. The report finds that the Adaptation Fund has built governance arrangements that are credible, mission-aligned, and central to its distinct role in climate finance. It also finds that these arrangements are increasingly under pressure as the Fund continues to grow. The evaluation presents four findings and one strategic recommendation.

18. The report was informed by data collection and analysis which included 35 interviews with Fund Implementing Entities, Board members and AFB Secretariat staff, desk review of more than 100 Board documents, various policies, guidelines, previous evaluations, and other external documents, numerous external documents; a landscape analysis, and a “sensemaking workshop” in January 2026 to share emerging insights. An evaluation advisory group, comprising representatives from the AFB Secretariat and the AF-TERG, provided advice and inputs at critical stages throughout the evaluation, including the inception report and draft reports.

19. Forward priorities: The report also serves as a key input to the Fund’s broader learning and accountability agenda, and its findings are an input into the CE.

(d) Thematic evaluations: No. 4 Readiness Programme

20. Background: The Evaluation Policy makes provision for thematic evaluations to be conducted with the objective of drawing lessons about the Fund’s efforts and progress on key topics. Three thematic evaluations on innovation (No. 1), accreditation (No. 2) and scalability (No. 3) respectively, were previously delivered under the AF-TERG’s first work programme and presented to the EFC. Under its WP2, the AF-TERG has continued to identify relevant topics for thematic evaluations in consultation with Board members, Implementing Entities, and AFB Secretariat staff as relevant to the evolving context of the Fund.

21. Progress: A draft report on the thematic evaluation of the Readiness Programme (No.4), a priority topic for evaluation in the MTS-2 Implementation Plan, was submitted to EFC through document AFB/EFC.36/7. Through decision B.45/51, the Board guided the AF-TERG to finalize the evaluation and submit it intersessionally to the EFC. The final evaluation report was submitted intersessionally to the EFC in through document AFB/EFC.36-37/1. This is accompanied by a management response prepared by the AFB Secretariat. The Board took note of the final evaluation report and management response contained in document AFB/B.46/15 through

decision B.46/5 and requested the AFB Secretariat to prepare an action plan based on the recommendations of the evaluation for consideration at EFC.38.

(e) Thematic evaluations: No. 5 Health and Climate Change in the Adaptation Fund Portfolio

22. Background: Through Decision B.46/56, the Board requested the AF-TERG to initiate work on the thematic evaluation #5 on climate change and health in the Adaptation Fund as part of its work plan in FY27.

23. Progress: Terms of Reference were prepared for the evaluation incorporating comments from the EFC and the Board, and feedback from the AFB Secretariat. Procurement was launched in July 2026, and the selection process is currently underway.

24. Forward priorities: The thematic evaluation is expected to begin in October 2026, and the final report and corresponding management response will be submitted to the EFC at its thirty-ninth meeting in April 2027.

(f) Ex post evaluations

25. Background: The work on ex post evaluations is widely recognized as innovative and remains a key element of the work of the AF-TERG and an input to the CE of the Fund. A methodology for ex post evaluation of adaptation projects was developed and tested under WP1. Under WP2, the AF-TERG will conduct a total of eight ex post evaluations, including two each in FY25 (#5 and #6) and FY26 (#7 and #8) respectively, and four ex post evaluations in FY27 (#9 to #12). In response to guidance from the EFC, all ex post evaluations from #5 onwards cover all project outcomes.

26. Progress: Fieldwork for the ex post evaluation (#7) for the “Reduction of Coastal Vulnerability to Coastal Flooding through Ecosystem-based Adaptation in the South of Artemisa and Mayabeque Provinces” project in Cuba was postponed due to changing country circumstances. The AF-TERG is currently exploring alternative approaches to enable completion of the evaluation by the end of calendar year 2026.

27. The ex post evaluation (#8) for the “Increased Resilience to Climate Change in Northern Ghana through the Management of Water Resources and Diversification of Livelihoods” (GHA/MIE/Water/2012/1), which included field work in the spring of 2026, is now complete and the evaluation report was presented intersessionally through document AFB-EFC.37-38/1. Videos have been produced using footage and interviews from Ghana to capture the findings and to explain the ex post evaluation approach.

28. The procurement processes have been completed for “Belize Marine Conservation and Climate Adaptation Initiative “(BLZ/MIE/Coastal/2011/1) (#9), “Adaptation to the Impacts of

Climate Change on Peru's Coastal Marine Ecosystem and Fisheries" (PER/NIE/Coastal/2015/1) (#10), and "Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local-Level Responses to Climate Change" (ZAF/NIE/Multi/2013/2) (#11). The AF-TERG is finalizing arrangements to conduct the twelfth ex post evaluation using an AF-TERG-led evaluation team for project "AYNINACUY: Strengthening the livelihoods of vulnerable highland communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Region of Arequipa, Peru" (PER/RIE/Rural/2015/1) . All four ex post evaluations are expected to be completed by FY2027.

29. Forward priorities: The focus for the near term is to continue to disseminate learning from the approaches and findings of the ex post evaluations, oversee the next sets of ex post evaluations, ensure that findings are shared with all project partners, and support the AFB Secretariat, as needed, on the uptake of lessons learned. The AF-TERG will also update its *Toolkit for the Ex Post Evaluation Interventions* to reflect experiences gained from its use in the AF-TERG's own evaluations, including feedback from evaluators.

Advisory function

(g) *Evaluation Policy guidance based on emerging demand*

Evaluation Policy guidance notes

30. Background: In April 2022, the Board requested the AF-TERG to develop, in consultation with the AFB Secretariat, evaluation guidance documents for the implementation of the Fund's Evaluation Policy, including budget implications (decision B.38/48). The AF-TERG has since produced a total of 13 guidance notes, which are available on the AF website in English, French and Spanish.⁴

31. Progress: Following the deliberations at the thirty-sixth meeting of the EFC on the Evaluation Policy Implementation Progress Report (document AFB/EFC.36/8), the Board requested the AF-TERG through decision B.45/52, paragraph (e), to develop in consultation with the AFB Secretariat a guidance note on Baseline Data Reports which are one of the three mandatory evaluations under the Fund's Evaluation Policy, alongside mid-term reviews and final evaluations.

32. The AF-TERG and AFB Secretariat agreed to adopt a policy-equivalent approach to the baseline data report submission requirement. Under this approach, IEs will not be required to submit a separate baseline data report in cases when all required information has already been provided in other documents, such as the project proposal or the first PPR. As structured guidance on this mandatory requirement has not been previously provided, the guidance note is expected to provide clarity to IEs on how to meet the policy requirement and prepare and submit baseline data reports if needed.

⁴ Available at: <https://www.adaptation-fund.org/about/evaluation/publications/foundational-documents/>

33. Forward priorities: The guidance note on baseline data reports has been finalized and is available on the AF website.⁵ The guidance note is currently being translated into French and Spanish and will be disseminated among IEs and other Fund stakeholders.

Oversight function

(h) Implementation progress of the Evaluation Policy

34. Background: In line with the Evaluation Policy requirement for annual reporting on implementation progress (para. 46), the first progress report was jointly prepared by the AF-TERG and the AFB Secretariat and presented to the EFC at its thirty-sixth meeting, as contained in document AFB/EFC.36/8. The Board reviewed the report and requested the AFB Secretariat, in consultation with the AF-TERG, to revise relevant documents to clarify provisions governing final evaluations across project sizes and funding windows, and to clarify mid-term review requirements for projects initially under four years that are later extended beyond four years. The AFB Secretariat and the AF-TERG provided an update the EFC at its thirty-seventh meeting on progress on these tasks in line with decision B.45/52.

35. Progress: The AF-TERG in consultation with the AFB Secretariat has prepared the second implementation progress report of the Evaluation Policy, presented in document AFB/EFC.38/8. The report provides updates on the implementation of the Evaluation Policy and identifies some implementation gaps.

36. Forward priorities: The AF-TERG will continue monitoring the implementation of the Evaluation Policy in collaboration with the AFB Secretariat.

(i) Management Action Tracker

37. Background: The Evaluation Policy (para 29) outlines the requirement of management responses for AF-TERG evaluations presented to the Board. WP2 of AF-TERG also provides for the development of a management action tracker (MAT) for all strategic, thematic and portfolio evaluations conducted by the AF-TERG.

38. Progress: The MAT template and associated process guidance document were presented to the EFC at its thirty-sixth meeting as an annex to document AFB/EFC.36/8. Following inputs from the EFC, and in collaboration with the AFB Secretariat, the first MAT was submitted to EFC intersessionally through document AFB/EFC.36-37/Inf.3.

39. The second MAT is presented to EFC through the annex to document AFB/EFC.38/8. It reflects the progress on actions under the scalability and accreditation evaluations that were not

⁵ Available at: <https://www.adaptation-fund.org/wp-content/uploads/2026/09/Baseline-Data-Report-09.08.26.pdf>

considered closed as part of the first management action tracker, as well as the progress on the implementation of the recommendations from the readiness evaluation.

40. Forward Priorities: The next update on actions taken against all recommendations of completed evaluations will be presented to the EFC at its fortieth meeting in October 2027.

(j) Review of the Evaluation Policy

41. Paragraph 47 of the Evaluation Policy requires that the policy is reviewed and updated no later than five years from its approval, i.e., by April 2027. The AF-TERG discussed options with the AFB Secretariat on the timing of this exercise. Given the planned independent review of the AF-TERG, and other key developments within the Fund, it may be preferable to await the review findings before determining the scope, timing, and objectives of the review of the Evaluation Policy.

42. Forward priorities: The AF-TERG seeks the EFC's agreement to defer the review of the Evaluation Policy.

Workstream 2: Utilization of evaluations

(k) Collaborative studies with others for contribution to the knowledge management system of the Fund

43. Background: WP2 includes approaches of “building partnership and creation of value and learnings for all Adaptation Fund stakeholders”. As part of this, AF-TERG pursues collaboration opportunities where these can add value to the Fund. Regular meetings (virtual) take place with the evaluation groups of the climate funds (further referred to as the ‘Five Funds’), namely the Adaptation Fund, Climate Investment Funds (CIFs), the Global Environment Facility (GEF), the Green Climate Fund (GCF), and the recent inclusion of the Fund for Responding to Loss and Damage (FRLD) to ensure coherence and to reflect relevant thinking on adaptation monitoring, evaluation and learning in its approach and advice to the Board. To date, the AF-TERG has so far chaired three of these joint meetings on a rotational basis.

44. Progress: As part of the joint collaboration on knowledge and learning initiatives, AF-TERG completed the pilot on AI applications in Climate Change Evaluations for Forestry which was presented to the EFC during its thirty-seventh meeting through document AFB/EFC.37/5. Additionally, the AF-TERG together with UNEP CCC supported a study exploring how insights from adaptation initiatives can inform robust Monitoring, Evaluation, and Learning (MEL) systems that serve issues related to both adaptation and loss and damage—two interconnected points along the same spectrum of climate response. The findings of the study will be presented in a workshop involving relevant organizations in early 2027 and further refined for publication.

45. Forward priorities: The evaluation units of the five climate funds are in early discussion to identify topics for future collaborative evaluation work that address common issues across the funds.

(l) Communications and knowledge management, in collaboration with the AFB Secretariat

46. Background: AF-TERG contributes to the overall knowledge management and communication work of the Fund, while maintaining its independent function in line with the AF-TERG mandate and its ToR.

47. Progress: The AF-TERG website⁶ was revamped in May 2025 and continues to be regularly updated with latest information on completed evaluations and its overall work. The AF-TERG continues to maintain regular presence on social media channels, including LinkedIn. It now systematically reports on key activities and evaluation milestones to foster increased awareness and disseminate lessons learned and evidence generated. An AF-TERG internal communication strategy is under development; and the strategy aims to be in alignment with the Fund's new communication strategy as well as with the goals of the MTS2 learning and sharing strategic pillar, and to with the view to ensure synergies and synchronized outreach to Fund's stakeholders;

(m) External engagement and outreach

48. Progress: As part of its external engagements and outreach, the AF-TERG has selectively participated in events which are designed to demonstrate the Fund's niche value, showcase results, and facilitate learning (see Annex 1 for the full list).

49. Forward priorities: The AF-TERG will continue to use in-person and online avenues and collaborative partnerships, to promote the dissemination of evidence and findings from its evaluation work in support of the overall strategic objectives of the Fund.

Workstream 3: Evaluative capacity building

(n) Evaluation capacity development

50. Background: The Evaluation Policy (para 33) states that the AF-TERG will consult with the AFB Secretariat and IEs to develop Fund evaluation guidance that is relevant and user-friendly, and pursue local institution-building, decision-making, learning, and accountability.

51. Progress: The AF-TERG and the AFB Secretariat are jointly developing an online training course (eLearning) to help guide Fund stakeholders in the application of the Evaluation Policy. The

⁶ <https://www.adaptation-fund.org/about/evaluation/>

video training is targeted at IEs and will provide practical guidance on the application of the Evaluation Policy at different stages of the project development and implementation.

52. Forward priorities: The training course is under discussion by the AF-TERG Secretariat and AFB Secretariat, with a view to finalize this by end 2026. Once finalized, the course will be uploaded to the World Bank's Open Learning Campus (OLC) and available to internal and external stakeholders.

Other forward priorities

(o) Developing a forward work plan for the AF-TERG

49. Background: The revised ToR of the AF-TERG (para 14) requires the AF-TERG to prepare multi-year work programmes and present them to the Board. The current WP2 covers the period FY24-FY27 and is on track to be completed by the end of June 2027.

50. Forward priorities: The AF-TERG seeks EFC approval to develop an annual work plan and budget for FY28 that would enable it to continue delivering on its evaluation functions in parallel with the independent review of the AF-TERG. These documents will be presented to the EFC at its thirty-ninth meeting.

(p) Membership of the United Nations Evaluation Group (UNEG)

53. Background: The UNEG is an interagency professional network that brings together evaluation units of the UN system and climate funds. The AF-TERG reported to the EFC at its thirty-first meeting of the AF-TERG intention to join UNEG as an observer and, as informed through document AFB/EFC.33/Inf.2, the AF was admitted as an observer in November 2023.

54. Progress: The AF-TERG has been participating regularly in UNEG working groups and annual general meetings since January 2024. As a recognition of the role of the AF-TERG and its contribution to the network, the AF-TERG received an invitation to join as a full member at the beginning of 2026.

55. This invitation is a recognition of the value and expertise that the Adaptation Fund can bring to one of the most renowned professional evaluation networks globally and enables lesson sharing and exchange of experiences with other entities working in the same space. Such continued collaboration and exchange will help to further strengthen the technical quality of AF-TERG's work and increase the profile of the Adaptation Fund by being part of UNEG together with other climate funds such as the GCF and GEF, as well as various UN agencies.

56. Forward priorities: There are no legal implications or obligations for the Adaptation Fund associated with joining the network as a full member. Therefore, the AF-TERG proposes to move forward with the full membership process. The anticipated annual membership costs of approximately USD 2,000 will be covered from the AF-TERG's budget.

(q) Independent Review of the AF-TERG

57. Background: An approach paper on the proposed independent evaluation of the AF-TERG was presented to the EFC at its thirty-seventh meeting. This was in accordance with paragraph 9 of the AF-TERG Terms of Reference and with the AF-TERG's work programme which provisions for an independent review of the AF-TERG to be commissions by the Board.

58. The EFC recommended that the Board request the AFB Secretariat and the AF-TERG to: (i) jointly prepare an options paper outlining the scope of work, indicative evaluation questions and possible modalities (and estimated costs) for undertaking the independent review of the AF-TERG and its structure and functions, ensuring that the options are designed to avoid a situation where (only) evaluators evaluate the evaluators, and (ii) present the options paper to the EFC at its thirty-eighth meeting to enable it to recommend a preferred approach for the Board's consideration at its forty-seventh meeting.

59. Progress: The Manager of the AFB Secretariat and the Chair of the AF-TERG, following the request from the Board as per Decision B.46/56, have prepared an options paper which is submitted to the EFC through document AFB/EFC.38/12.

60. Forward priorities: The findings and recommendations of the review will be presented to the Board for their consideration.

Budget update

61. As reported in document AFB/EFC.38/4, the overall expenditure and commitment level of the AF-TERG and its Secretariat for in the period July 2025 – June 2026 was 89 per cent excluding the World Bank hosting fee, with the fixed component of the budget standing at 82 per cent, and the evaluation component at 97 per cent. This presents a significant improvement compared to the same period in FY25 and is a reflection of the improved budget planning and management processes introduced in the AF-TERG Secretariat.

62. The underrun on the fixed component is mainly attributable to the World Bank hiring freeze and the delay in the recruitment of the new AF-TERG member, as well as the timing of the office rent abatements. Under the evaluation budget, the underrun was mainly due to delays in one of the ongoing ex post evaluations due to political instability in the host country, as well as cost saving for some of the evaluation work compared to the original budget as a result of competitive international procurement.

Annex 1: External outreach activities from July 2025 – June 2026 (online and in-person)

1. In the period 8 – 18 June 2026, Ms. Debbie Menezes (AF-TERG Chair) and Mr. Vladislav Arnaoudov (AF-TERG Secretariat Coordinator) attended the 64th session of the UNFCCC Subsidiary Bodies in Bonn, Germany, and participated in side events and meetings with stakeholders to support the ongoing evaluation work of the Adaptation Fund.
2. On 17 June 2026, Sithabiso Gandure (AF-TERG member) participated as a speaker in a session on Evidence from Climate Action in Africa; Scaling What Works Across Borders, organized by the African Development Bank as part of the African Evaluation week. Ms. Gandure shared evidence and learnings with high relevance to adaptation action in Africa.
3. On 2 June 2026, Mr. Vladislav Arnaoudov, and Mr. Aneesh Kotru (Evaluation Analyst, AF-TERG Secretariat) joined representatives from the other climate funds as part of a virtual gLOCAL event on the use of AI in climate change evaluations. During the event, the recent AI synthesis study of the four funds was introduced and Mr. Arnaoudov presented some of the work that the AF-TERG does on applying AI in evaluation work.
4. In the period 11 – 14 May 2026, the AF-TERG participated with a poster in the 20th Conference on Community-Based Adaptation on Climate Change (CBA20) in Manila and was the winner of the poster competition. The poster highlighted the importance of gender within the Adaptation Fund’s work and how AF-TERG evaluations examine gender dimensions in adaptation outcomes. It also shows how ex post evaluations help us understand what happens years after adaptation projects close — what outcomes are sustained, what challenges emerge over time, and what conditions help communities to maintain resilience gains.
5. 18-19 February 2026: Ms. Debbie Menezes and Mr. Vladislav Arnaoudov joined the United Nations Evaluation Group (UNEG) Annual General Meeting in Rome, Italy. The AF-TERG has been an observer to the UNEG since 2023 and has been joining the AGN to link with other evaluation professionals from the UN systems, showcase the work of the Fund and receive updates on the latest developments in the evaluation field.
6. 12 February 2026: Mr. Shehryar Janjua (AF-TERG member) joined a Four Funds event hosted by the GCF Independent Evaluation Office (GCF IEU) on country ownership and presented evidence on country ownership drawing from the AF-TERG’s evaluations.
7. 11 February 2026: AF-TERG organized an online joint event on innovative evaluation methods together with FAO and UNICEF evaluation offices as part of the Evaluation Week organized by UNEG. Mr. Vladislav Arnaoudov and Ms. Susan Legro (AF-TERG member) presented the ex post evaluation methodology developed by the AF-TERG and discussed with the participants opportunities and challenges in applying this and other new evaluation methods in practice.

8. In the period 11-22 November 2025, Ms. Debbie Menezes and Mr. Vladislav Arnaoudov joined COP30 in Belem, Brazil. As in previous years, the AF-TERG supported the work of the Climate Funds Pavilion and, for the first time, joined hands with evaluation units of other organizations in setting up the Evidence for Climate Action (E4CA) Pavilion at COP30. The AF-TERG organized or participated as speaker in eleven events, highlighting the evidence generated through its evaluation and how it can support more effective and efficient climate action. Ms. Menezes also engaged IE and DA representatives to launch the two new ex post evaluations of the AF-TERG in Cuba and Ghana.
9. 13-16 October 2025: Mr. Vladislav Arnaoudov participated in Adaptation Futures – a leading conference for adaptation professionals globally - held in Christchurch, New Zealand. He conducted a masterclass on the use of AI in evaluations, joined Innovation Spotlights organized by the Adaptation Fund, and discussed various challenges to measuring adaptation results at two other events at the conference.

ANNEX 2. Progress report on the Comprehensive Evaluation of the Adaptation Fund

Background

This brief provides a summary of the status and emerging findings of the Comprehensive Evaluation of the Adaptation Fund (the Fund). The Comprehensive Evaluation assesses the Fund's progress and performance since its last overall evaluation in 2017 in line with Board Decision B.39/57. The Comprehensive Evaluation of the Adaptation Fund assesses the Fund's performance, relevance, effectiveness, efficiency, and strategic positioning during the period 2017–2025. It is intended to inform development of the Fund's third Medium-Term Strategy (MTS-3) for 2028–2032 and support the Fund's own strategic decisions about its future role within the evolving international climate finance architecture. At this pivotal moment in the Fund's evolution, the evaluation examines its governance and institutional arrangements, access to the Fund and project cycle management, strategic positioning, resource mobilization, and its contribution to adaptation outcomes, particularly for vulnerable populations.

Evaluation Approach

The Comprehensive Evaluation builds upon a series of evaluations that were commissioned during the period 2018-2025 (see Figure 1). The Evaluation Policy of the Fund has nine evaluation criteria: relevance, coherence, effectiveness, efficiency, impact, equity, adaptive management, scalability, and human and ecological sustainability and security. The Comprehensive Evaluation assesses the Fund's achievements against these criteria. The Board approved complete terms of reference for the evaluation, including a detailed explanation of the evaluation questions, in Decision B.42-43/27.

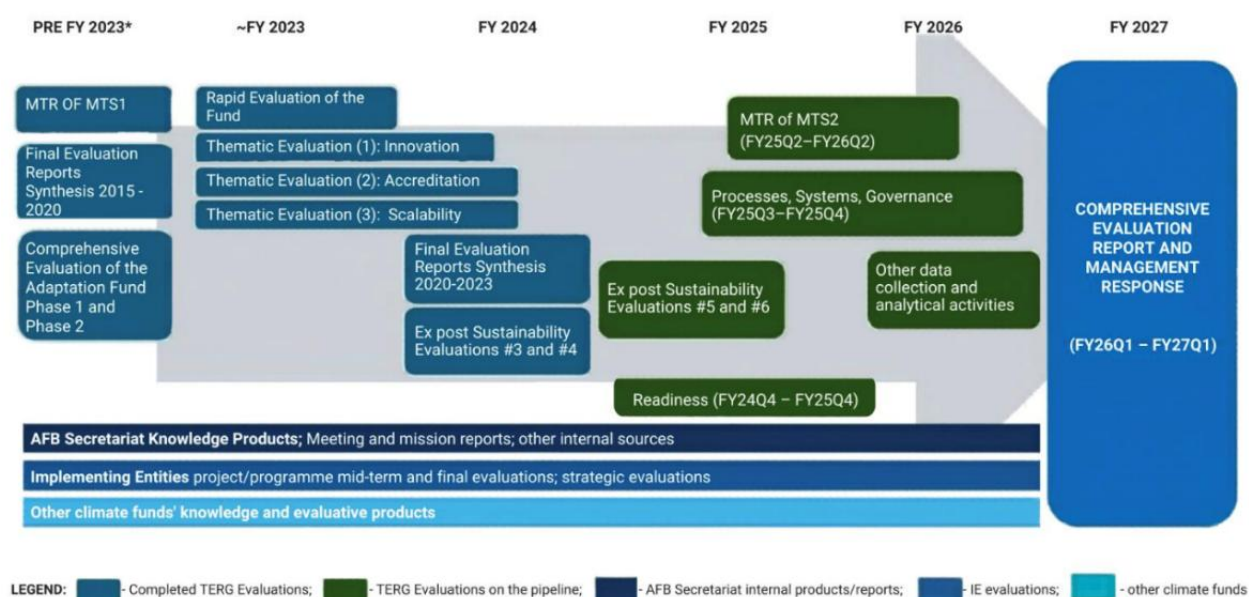


Figure 1. Building Blocks of the Comprehensive Evaluation

Progress To Date

The evaluation team carried out an in-depth **desk review of key documents** related to the scope of the evaluation, and the documents were coded against the evaluation criteria and questions in the evaluation matrix. The documents reviewed included documents and decisions from the Adaptation Fund Board (the Board), program and project evaluations, knowledge products, work programs and bi-annual updates from the AF-TERG, annual performance reports, and strategic planning documents, for a total of more than 90 documents. The analysis also drew on evidence and findings from the Mid-Term Review of the Second Medium-Term Strategy and the Governance Processes and Systems Evaluation.

The evaluation team also conducted a **portfolio analysis** to provide a snapshot of Fund-financed projects, including information on the countries in which projects have been carried out (geographic information, vulnerability, typology), the types of projects supported (sectors, themes, funding windows, and funding approaches), implementing entities and partners, grant amounts, and other essential data.

Forty-six semi-structured **key informant interviews** were conducted with Fund stakeholders, including Board members; the AFB Secretariat; the AF-TERG; Fund contributors; the trustee; national, regional, and multilateral Implementing Entities; Designated Authorities from Central African Republic, Liberia, and Moldova; and Civil Society Organization Network members for direct insights to answer the evaluation questions. To further explore country perspectives on Fund's support, four **focus group discussions** were conducted in English, French, and Spanish with representatives from a total of 18 Designated Authorities from Bhutan, Brazil, Côte d'Ivoire, Cuba, Guinea, Egypt, Fiji, Georgia, Guatemala, Indonesia, Iran, Malaysia, Mexico, Panama, Rwanda, Senegal, Serbia, and Venezuela.

The evaluation team also participated in a **sensemaking workshop** in January 2026 to discuss overarching themes and validate emerging findings with the AFB Secretariat. This two-day meeting helped to identify emerging themes and organize evidence across different sources.

The evaluation also conducted four **country case studies** in Armenia, Cambodia, the Dominican Republic, and Rwanda. Each case study comprised a desk review of key relevant country documents, interviews, and field observations. Country selection was guided by consideration of regional balance, the number of implementing entities and projects, types of access (direct, regional, multilateral), vulnerability, and typology, i.e. representation of small island developing states (SIDS) and least developed countries (LDCs). In addition to the four country case studies, the evaluation team undertook three **thematic case studies** covering the following topics: (1) direct access and country ownership, (2) the Fund's niche and comparative advantage in the climate finance landscape, and (3) advancing locally led adaptation (LLA) through Fund programming.

All the above inputs were integrated into a **draft evaluation report**, which was prepared in Q2 2026. The report contained findings and evidence for all evaluation questions approved by the Board. The report underwent an internal quality assurance review, including of the portfolio analysis data. The

evaluation team presented online its findings to the AFB Secretariat in July 2026 which was followed by the submission of the **revised draft evaluation report** to the AFB Secretariat.

Upcoming Milestones and Deliverables

The current draft is undergoing review, fact checking and sense making discussions with the AFB Secretariat. The AF-TERG is scheduling discussions with the AFB Secretariat to solicit feedback and discuss the recommendations from the revised draft report. The AF-TERG and the AFB Secretariat will work together to finalize the recommendations of the Comprehensive Evaluation, following which, the AFB Secretariat will prepare a Management Response. The final report will be accompanied by an evaluation brief for the Board summarizing the main findings, lessons, and recommendations of the evaluation. The final report and brief, including the management response, will be submitted to the Board intersessionally prior to B.48.