



ADAPTATION FUND

AFB/B.23/3  
10 March 2014

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Adaptation Fund Board  
Twenty-third meeting  
Bonn, Germany, 18-21 March 2014

Agenda item 5

## **REPORT ON ACTIVITIES OF THE SECRETARIAT**

## Background

1. This report lists the activities undertaken by the Adaptation Fund Board secretariat (the secretariat) during the period between the twenty-second and twenty-third meetings of the Adaptation Fund Board (the Board).

## Finalization and posting of the report of the twenty-second Board meeting

2. Following the twenty-second meeting held in Bonn, Germany on 29 October – 1 November 2013, the secretariat supported the Chair in finalizing the report of the meeting, through both editorial revisions and summarizing its discussions. As agreed by the Board, the report was completed and circulated to Board members and alternates for comments and approval. The Board approved the report and it was posted on the website of the Adaptation Fund (the Fund) as document AFB/B.22/7.

## Events and meetings

3. During the reporting period, the secretariat participated in, and presented at, the following events and meetings.

- (a) Nineteenth session of the Conference of the Parties / Ninth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP19/CMP9) (11-22 November, Warsaw, Poland). During the conference, the secretariat supported Board members in sessions that had relevance to the Fund, interacted with donors to prepare ground for contribution decisions, raised awareness of the Fund, and created and strengthened relationships with various stakeholders. In this meeting, the Adaptation Fund Board was for the first time admitted as an observer organization to the UNFCCC process, and was given this status as an intergovernmental organization.<sup>1</sup> Due to this change, the Board for the first time also had in the plenary its own seat. The secretariat assisted the Board in arranging, together with the Polish COP Presidency, a donor dialogue event, and together with the Sahara and Sahel Observatory (OSS), a regional implementing entity of the Fund, a side event which focused on experience from the Fund's various access modalities. Members of the secretariat had been invited to talk in a number of other events, including the workshop "Promoting Transparency and Accountability in Climate Finance Governance"<sup>2</sup> and side-event "Building an Effective and Efficient Green Climate Fund" both organized by Transparency International, and the Transport Day organized by the Partnership on Sustainable Low Carbon Transport. The secretariat was invited to give targeted briefings to a number of constituencies, including Alliance of Small Island States, Least Developed Countries, the Arab League, the European Union, the Eastern European Group, and the Umbrella Group. In addition, the secretariat had a number of bilateral discussions with delegations, implementing entities, civil society representatives and other stakeholders. Many of these discussions took place at the Adaptation Fund exhibition booth which proved popular among delegates.

<sup>1</sup> <http://unfccc.int/resource/docs/2013/cop19/eng/02.pdf>

<sup>2</sup> [http://www.transparency.org/news/event/promoting\\_transparency\\_and\\_accountability\\_in\\_climate\\_finance\\_governanc](http://www.transparency.org/news/event/promoting_transparency_and_accountability_in_climate_finance_governanc)

- (b) Portfolio monitoring missions in Honduras and Nicaragua (4-15 November 2013): These two monitoring missions were undertaken concurrently to projects financed by the Fund and implemented by the United Nations Development Programme (UNDP) in Central America. The common purpose of these missions was to collect information on watershed management practices addressing climate risks in the Central American region; collect information on implementation arrangements for adaptation projects; and to collect lessons learned on the earliest projects approved by the Fund. Two members of the secretariat undertook semi-structured interviews with key stakeholders from communities, local government, non-government entities, academia, ministries and UNDP, as well as visits to project sites and the review of supplementary information provided by stakeholders. The findings of the mission are outlined in detail in AFB/EFC.14/4: *Report of the portfolio monitoring missions in Honduras and Nicaragua.*
- (c) The 2013 Annual Meeting of the Notre Dame Global Adaptation Index (ND-GAIN; 11-12 December 2013, Washington, DC): the secretariat spoke on the panel “Money for Resiliency: The Promise of Adaptation Funding”.
- (d) The sixth meeting of the Green Climate Fund (GCF) Board (19-21 February 2014, Bali, Indonesia): A member of the secretariat participated as observer in the meeting, and had the chance to interact with Board members from Annex and non-Annex one countries. The main outcomes of the meeting include, among others, the following decisions: 1) The GCF will aim for a 50:50 balance between mitigation and adaptation over time; 2) The GCF will aim for a floor of fifty percent of the adaptation allocation for particularly vulnerable countries, including least developed countries, small island developing States and African States; 3) The GCF will maximize engagement with the private sector, including through a significant allocation to the Private Sector Facility, in order to provide incentives that encourage a paradigm shift to low-carbon development; and 4) The GCF will be a leader on gender mainstreaming and will define its gender action plan in October 2014. During the meeting, a progress report on *Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the [GCF's] Fiduciary Principles and Environmental and Social Safeguards* was presented, and it was acknowledged that the approach in the progress report, particularly on the safeguards, drew strongly on the experience of the Adaptation Fund. During discussion, some members encouraged the GCF to look at the Adaptation Fund accreditation processes while developing its own process. Also, when discussing the document on *Detailed Programme of Work on Readiness and Preparatory Support*, some Board members stated that the GCF should seek synergies with the Adaptation Fund readiness programme. In addition to participating in the meeting as an observer, the member of the secretariat took part in the pre-meeting Workshop on GCF Readiness & Preparatory Support organized by the Asian Development Bank and the World Resources Institute in collaboration with the GCF secretariat and, speaking on a panel on supporting potential GCF implementing entities and intermediaries, shared experiences of the Adaptation Fund's direct access modality. The member of the secretariat also presented the Fund on a panel in the back-to-back arranged Indonesian National Practitioners' Workshop on Climate Finance.

- (e) WFP Adaptation Fund Workshop (3 March 2014, Rome, Italy): At the invitation of the World Food Programme (WFP), a representative of the secretariat participated as a resource person in a workshop organized by WFP for its country offices representatives currently implementing Adaptation Fund projects, to share lessons, improve their knowledge on relevant implementation issues such as procurement and discuss challenges and opportunities faced during the preparation and implementation of AF projects. Country offices represented included Ecuador, Egypt, Indonesia, Mauritania, Nepal and Sri Lanka.
- (f) The sixth meeting of the Standing Committee on Finance (4-5 March 2014, Bonn, Germany): The secretariat participated as observer in the meeting. The main items on the agenda were the fifth review of the financial mechanism of the Convention; biennial assessment and overview of climate finance flows; monitoring, reporting and verification of support, second forum of the Standing Committee on Finance; and guidance to the operating entities of the financial mechanism. The secretariat also participated on 6 March 2014 in a mini-workshop on the preparation of the first Biennial Assessment and overview of financial flows, which aim was to explore and generate insights on how to compare definitions and methodologies used by different organizations for quantifying different types of financial flows and assess consistency, gaps and limitations of existing data sets that capture climate financial flows and investment trends for the period 2009-2013.
- (g) The secretariat met with professor Akihisa Mori of the Kyoto University, who is working on a project for sustainability transformation towards 2015 (2013-2015). The project is led by the Tokyo Institute of technology and funded by the Ministry of Environment of Japan in collaboration with IISD, WRI, and SEI. The project is assessing the direct access modality and Prof. Mori has visited four of the Fund's direct access projects under implementation (Senegal, Jamaica, Uruguay, and Argentina) and is planning to visit Rwanda before this meeting. Prof. Mori made a presentation to the secretariat about the project. The secretariat facilitated his interactions with the relevant NIE. The outcome of the project will be shared with the Board in due course.
- (h) The secretariat participated in a breakfast roundtable of the Adaptation Finance Accountability Initiative (AFAI) hosted by World Resources Institute and Oxfam America (7 March 2014, Washington, DC): the topics discussed among participants included challenges and good practices in channeling adaptation finance to the local level, and key lessons from climate, aid effectiveness and governance work to climate adaptation finance.

### **Preparations for the twenty-third Board meeting**

#### *Meeting arrangements*

4. The secretariat issued letters of invitation to the Board members and alternates, and made travel arrangements for eligible Board members.

#### *Meeting documents*

5. The secretariat, working closely with the Board and Committee Chairs and Vice-Chairs, and the trustee, prepared the documents for the twenty-third Board meeting and

for the fourteenth meetings of the Project and Programme Review Committee (PPRC), and of the Ethics and Finance Committee (EFC).

6. Documents prepared for the PPRC meeting include AFB/PPRC.14/3: Report of the secretariat on initial screening/technical review of project and programme proposals, which outlines the screening/technical review process undertaken by the secretariat, as well as the following nine project/programme documents with their corresponding technical reviews, and three Project Formulation Grant document:

AFB/PPRC.14/4	<i>Proposal for India (1) (NABARD)</i>
AFB/PPRC.14/4/Add.1	<i>Project Formulation Grant for India (1) (NABARD)</i>
AFB/PPRC.14/5	<i>Proposal for India (2) (NABARD)</i>
AFB/PPRC.14/5/Add.1	<i>Project Formulation Grant for India (2) (NABARD)</i>
AFB/PPRC.14/6	<i>Proposal for India (3) (NABARD)</i>
AFB/PPRC.14/6/Add.1	<i>Project Formulation Grant for India (3) (NABARD)</i>
AFB/PPRC.14/7	<i>Proposal for Morocco (ADA)</i>
AFB/PPRC.14/7/Add.1	<i>Project Formulation Grant for Morocco (ADA)</i>
AFB/PPRC.14/8	<i>Proposal for Federated States of Micronesia (SPREP)</i>
AFB/PPRC.14/9	<i>Proposal for India (4) (NABARD)</i>
AFB/PPRC.14/10	<i>Proposal for India (5) (NABARD)</i>
AFB/PPRC.14/11	<i>Proposal for Kenya (NEMA)</i>
AFB/PPRC.14/12	<i>Proposal for Indonesia (WFP)</i>

The documents for the PPRC meeting also include AFB/PPRC.14/13: Options for intersessional review and approval of project and programme proposals and AFB/PPRC.14/14: Multiple Executing Entities partners for the implementation of local adaptation actions.

7. Documents prepared for the EFC meeting include:

AFB/EFC.14/3	<i>Options for the accreditation of small entities</i>
AFB/EFC.14/4	<i>Report of the portfolio monitoring missions to Honduras and Nicaragua</i>
AFB/EFC.14/5	<i>Options for an evaluation of the Fund</i>
AFB/EFC.14/6	<i>Core indicator methodologies</i>
AFB/EFC.14/7	<i>Adaptation Fund Trust Fund: Financial report prepared by the trustee (as at 31 December 2013)</i>
AFB/EFC.14/8	<i>Work plan for the fiscal year 2015</i>
AFB/EFC.14/9	<i>Administrative budgets of the Board and secretariat, and the trustee for the fiscal year 2015.</i>

8. An information document prepared for the EFC meeting is: AFB/EFC.14/Inf.1: Joint report by the secretariat and the trustee on the status of the pipeline

9. Documents for the twenty-third Board meeting include the regular activities of the secretariat and Accreditation Panel reports (AFB/B.23/3 and AFB/B.23/4); as well as document AFB/B.23/5: Execution arrangements of the Readiness Programme and AFB/B.23/6, Options for funding the project/programme pipeline.

10. Five information documents prepared for the Board meeting are: AFB/B.23/Inf.1: List of documents; AFB/B.23/Inf.2: Adaptation Fund Board members and alternates;

AFB/B.23/Inf.3: List of observers; AFB/B.23/Inf.4: Trustee Presentation: Update on Status of Resources and CER monetization; and AFB/B.23/Inf.5: Agenda of the Civil Society Dialogue.

### **Membership of the Board**

11. The following includes a list of the changes in the membership of the Board:

- a) Mr. W. L. Sumathipala (Sri Lanka), the Member and Mr. Ilhomjon Rajabov (Tajikistan), the Alternate for the Asia-Pacific constituency, left the Board. Mr. Nauman Bashir Bhatti (Pakistan) has been elected as the Member for the Asia-Pacific constituency. Nomination for the Alternate is pending.
- b) Mr. Anton Hilber (Switzerland) resigned the position of Member and Ms. Yuka Greiler has been nominated to replace Mr. Hilber for the Western Europe and others constituency (WEOG).
- c) Mr. Kotaro Kawamata (Japan) resigned the position of Alternate and Ms. Ana Fornells de Frutos (Spain) has taken his former position for the Annex I constituency. Nomination for the Member is pending.
- d) Mr. Bruno Sekoli, the Member for Non-Annex I constituency, left the Board. Mr. Boubacar Sidiki (Mali) has taken Mr. Sekoli's former position as the Member and Ms. Wenhang Huang (China) has taken the position of Alternate for the Non-Annex I constituency.

### **Intersessional decisions approved by the Board**

12. The secretariat, in consultation with the Board Chair and Vice-Chair, prepared and circulated draft decision texts, of which eleven were approved by the Board during the intersessional period. All the decisions listed below have been posted on the Fund website.

- B.22-23/1: Report on project/programme implementation: UNDP (Maldives)
- B.22-23/2: Report on project/programme implementation: WFP (Ecuador)
- B.22-23/3: Approval of project in Seychelles
- B.22-23/4: Election of AFB, PPRC and EFC outstanding officers
- B.22-23/6: Approval of project in Uzbekistan
- B.22-23/7: Approval of project in Cuba
- B.22-23/8: Approval of third tranche of funding - Uruguay
- B.22-23/9: Approval of third tranche of funding - Nicaragua
- B.22-23/10: Approval of project in Myanmar
- B.22-23/11: Approval of second tranche of funding - Tanzania
- B.22-23/12: Approval of second tranche of funding - Jamaica

### **Implementation of decisions adopted by the Board at its twenty-second meeting and during the ensuing intersessional period**

#### *Communication of Board decisions on accreditation and project proposals*

13. The secretariat issued letters to applicant implementing entities' coordinators informing them of the Board decisions on accreditation of implementing entities and project proposals submitted.

*Small Grants Window*

14. An Accreditation Panel expert in conjunction with the secretariat staff conducted a field visit to NIE039 to develop a case example for the need of a “small grants window” targeting small entities or similar mechanism and provide options for how such a mechanism could be operationalized.

*Multiple layers of execution / implementation*

15. The secretariat examined the possible effects on administrative costs of the use of multiple Executing Entities and implementing partners to promote local development and execution of adaptation actions, and has reported its findings in document AFB/PPRC.14/14, for consideration by the PPRC at its fourteenth meeting.

*Options for intersessional review of project and programme proposals*

16. The secretariat prepared a revised options paper on the intersessional review and approval of project and programme proposals, including the process for such reviews and the types of proposals that could be reviewed intersessionally, for consideration by the PPRC at its fourteenth meeting.

*Project extension request*

17. The secretariat undertook discussions with CSE in the context of an exit strategy under development with the involvement of national authorities and experts in Senegal, in order to obtain further information about (i) expected dates of completion of planned activities; and (ii) details of technical and financial aspects causing the delay.

*Complaint handling mechanism**Project A*

18. The secretariat issued a letter to the accredited implementing entities reminding them that all project/programme proposals must detail the implementation arrangements, including the identification of executing partners and their role in the project/programme execution. Those arrangements should be discussed with the government and made fully transparent prior to project/programme approval. Any changes in implementation arrangements must remain under the 9.5 per cent cap set by the Board. The changes, reasons for the changes, and any associated risks must be reported to the secretariat as soon as possible.

*Environmental and social safeguards*

19. The secretariat issued a letter to all implementing entities to communicate the approval of the environmental and social policy.

*Options for a readiness programme*

20. The secretariat submitted to the Board intersessionally, execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities. Following intersessional discussion of

the Board members on the document, it was agreed that the document would be further discussed during the twenty-third Board meeting.

#### Project/programme pipeline

21. Following decision B.22/25, the secretariat prepared document AFB/B.23/6, *Options for funding the project/programme pipeline*, to support the Board's deliberations on the implications of a number of options to fund the pipeline.

#### *Dates and venues for the twenty-fourth meeting*

22. The secretariat sent a letter to the Minister of Environment in Peru to request co-organization of the twenty-fourth meeting in Lima in September or October 2014 and sought its feasibility. After a month, the secretariat did not receive a response from the ministry therefore the twenty-fourth meeting is proposed to be held on 7-10 October 2014 in Bonn, Germany.

#### **Communications**

23. The secretariat made available in digital and print format its new communications materials that tell the Adaptation Fund story in clear and compelling ways, including the Overview, Infographic, Adaptation Story Senegal, and Climate Adaptation Financing: Direct Access. These materials are posted on the Fund website, and are also consolidated on one digital platform: <http://issuu.com/adaptationfund>.

24. At the COP 19-Warsaw: The secretariat disseminated the communication materials at its exhibit booth during the meetings. The secretariat hosted a side-event on adaptation that was very successful. The secretariat assisted the Chair of the Board, Mr. Hans Olav Ibrekk, in drafting an op-ed about the Fund's direct access modality and placing it on the UNFCCC's COP19 website. The secretariat facilitated a TV interview with the Vice Chair of the Board, Mr. Mamadou Honadia, with the COP's climate channel.

25. The secretariat launched the Fund's annual photo contest in December 2013, with the theme of urban climate adaptation and resilience. The contest judging will be conducted in April, and winners announced, and their photos added to the Fund's photo bank for use in Fund materials.

26. The secretariat continued its activity on its primary social media channels, Twitter, Facebook and Flickr, growing its audiences and disseminating information.

27. As one component of the communications strategy, the secretariat offered a messaging and media coaching session to Board members and CSO participants at AFB23.

28. The Secretariat retained the services of an IT consultant agency, which began work on fixing bugs in the Accreditation website.

#### **Support to the Accreditation Panel**

29. The secretariat worked closely with the Panel Chair and Vice-Chair and assisted the Panel in its discussions. The fifteenth Panel meeting was held on 10-11 February



2014 in Washington DC, USA. The secretariat also assisted the Panel in finalizing its report, contained in document AFB/B.23/4.

30. As of the date of issuance of this document and after the last Board meeting, the secretariat received four new requests for accreditation from national entities. One applicant was able to complete the application in time for the fifteenth Panel meeting (10-11 February 2014). The other three are aiming to complete the application for the sixteenth Panel meeting (5-6 May 2014).

31. Since the inception of the accreditation process, the secretariat has received and screened 80 applications: 55 from non-Annex I Parties, eight from regional organizations and 13 from multilateral organizations and development banks. The Panel has so far reviewed 50 applications: 29 from non-Annex I Parties, seven from regional organizations and development banks, and 13 from multilateral organizations and development banks.

**Table 1: Status of accreditation applications submitted to the secretariat as of June 2013**

	NIE	RIE	MIE
Accredited	15	2	10
Not accredited	7	1	0
Under review by Accreditation Panel	9	4	2
Screened by secretariat pending completion of accreditation application	2	0	0

(Table does not include unscreened, withdrawn, or closed applications)

### **Screening/technical review of project/programme proposals**

32. The secretariat screened and prepared technical reviews of nine project proposals received during the reporting period. In performing this task, the dedicated team of officials of the secretariat was supported by GEF secretariat technical staff.

### **Review of Project Performance Reports (PPRs)**

33. The secretariat has completed the review and cleared the second Project Performance Report (PPRs) for the projects implemented in Nicaragua (UNDP, inception date: 21 June 2011) and Ecuador (WFP, inception date: 29 November 2011), and the first PPRs for the projects implemented in Uruguay (ANII, inception date: 21 October 2012), Ecuador, Maldives (UNDP, inception date: 20 June 2012), Jamaica (PIOJ, inception date: 2 November 2012) and Tanzania (UNEP, inception date: 29 October 2012). The secretariat submitted these reports and corresponding reviews to the Board, and the Board approved through intersessional decisions subsequent financing tranches for the projects in Maldives (Decision B.22-23/1), Ecuador (Decision B.22-23/2), Uruguay (Decision B.22-23/8), Tanzania (Decision B.22-23/11) and Jamaica (Decision B.22-23/12). The PPRs were also made publicly available on the Fund's website. The secretariat is continuing the review of PPRs for Cook Islands (UNDP, inception date: 4 July 2012), Papua New Guinea (UNDP, inception date: 26 July 2012), and Mauritius (UNDP, inception date: 30 August 2012). The secretariat has also received the second PPR for the project in Pakistan (UNDP, inception date: 15 November 2011) and the first PPRs for the projects implemented in Eritrea (UNDP, inception date: 6 November 2012), Madagascar (UNDP, inception date: 24 October 2012), Colombia (UNDP, inception date: 21 March 2012). These reports are still under review.

## **Personnel**

34. The secretariat recruited two experts on social and environmental safeguard; Mr. Jose Cabral and Mr. Dirk Lamberts (Short Term Consultants) to work on project/programme review as well as accreditation. The consultants will also support the implementation of the Readiness Programme in a field of social and environmental safeguard.

35. The secretariat recruited a Program Analyst (Short Term Consultant); Mr. Fabrice Musoni to coordinate the implementation of the Readiness Programme.