



ADAPTATION FUND

AFB/B.24/3
3 October 2014

Adaptation Fund Board
Twenty-fourth meeting
Bonn, Germany, 9-10 October 2014

Agenda item 4

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-third and twenty-fourth meetings of the Adaptation Fund Board (the Board).

Finalization and posting of the report of the twenty-third Board meeting

2. Following the twenty-third meeting held in Bonn, Germany on 18-21 March, 2014, 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.23/7.

Events and meetings

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

- (a) The Eighth Conference on Community-based Adaptation (CBA8) (Kathmandu, Nepal, 24-30, April 2014): A member of the secretariat supported the Chair of the Board in his preparation of opening remarks at the conference, and in his bilateral discussions with stakeholders at the meeting. The outcome of the meeting was the Kathmandu Declaration on Financing Community-based Adaptation.
- (b) The Third International Climate Change Adaptation Conference (Fortaleza, Brazil, 12-16 May, 2014): A member of the secretariat gave an invited keynote speech on lessons learned from the Adaptation Fund for future adaptation finance. He also interacted with representatives of countries and the scientific community and raised awareness of the Fund.
- (c) The Seventh Board meeting of the Green Climate Fund (GCF) (Songdo, Korea, 18-21 May, 2014): 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 agreement on all the essential items that allows the process for resource mobilization to commence. Of relevance to the Adaptation Fund Board is the adoption of the initial guiding framework for the Fund's accreditation process (decision B.07/02, paragraph (a) and annex);¹ the decision on the elaboration of an assessment, including a gap analysis, of institutions accredited by other relevant funds (id., paragraph (l)(i)); and the decision to open a call for submissions of accreditation applications of "intermediaries"² after the eight Board meeting (Barbados, 14-17 October 2014) (paragraph (r)).

¹ Available at http://gcfund.net/fileadmin/00_customer/documents/MOB201406-7th/GCF_B07_Decisions_Seventh_Meeting_fin_20140619.pdf

² See section 2.2. of document GCF/B.07/02, Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and

- (d) 2014 Carbon Expo (Cologne, Germany, 28-30 May, 2014): A member of the secretariat supported the Bank Trustee staff with its booth display about Adaptation Fund CERs and the Fund's project impacts. She also interacted with Expo attendees and provided digital outreach.
- (e) The International Seminar on Public Policy for Climate Change (Quito, Ecuador, 29-30 May 2014, 2014): At which focal points from the Economic Commission of Latin America convened to discuss strategies for adaptation and potential sources of finance, the secretariat's involvement was to present the access modalities to country focal points and discuss the current state of the portfolio in Latin America. The costs of this mission were borne by the Economic Commission of Latin America through the EUROCLIMA Program.
- (f) WWF Global Adaptation Network seminar (Washington, DC, 2 June, 2014): A member of the secretariat made a presentation on procedures to access the Fund, progress to date, and the Fund's portfolio of ecosystem-based adaptation projects and programmes.
- (g) The fortieth sessions of the Subsidiary Bodies of the UNFCCC (Bonn, Germany, 4-15 June, 2014): The secretariat supported Board members in sessions that had relevance to the Fund, including those related to the second review of the Fund. It interacted with donors, raised awareness of the Fund, and created and strengthened relationships with various stakeholders. The secretariat organized a new session of the Dialogue with donor countries during which representatives of several Annex 1 countries were updated on the status of resources, the project pipeline, the readiness programme and latest developments of the Fund. During the sessions the secretariat representatives made presentations on the current situation of the Fund and its Readiness Programme to regional groups, including Africa, AOSIS, LDC, GRULAC, G77 and Asia-Pacific. A representative of the secretariat was also invited to the third meeting of the Durban Forum on Capacity-building – DF3, and made a presentation on "Enhancing developing countries' capacity in accessing finance through national implementing entities: The Adaptation Fund Climate Finance Readiness Programme". He was also invited to speak during a side event organized by the NGO Germanwatch, to provide an update of the latest developments of the Fund including its Readiness Programme. The representatives of the secretariat also held bilateral meetings with Parties representatives including Germany, the regions of Flandres and Wallonie, Ethiopia, Sri Lanka, Mali, Niger and Guinea.
- (h) The Seventh meeting of the Standing Committee on Finance (Bonn, Germany, 16-18 June, 2014): A representative of the secretariat participated in the meeting as an observer. Issues discussed included the fifth review of the Financial Mechanism and the secretariat participated in working groups, providing inputs when information on the Fund was requested.

- (i) The Second Forum of the UNFCCC Standing Committee on Finance (Montego Bay, Jamaica, 21-22 June, 2014): A representative of the secretariat gave a plenary presentation on the Fund experience on financing concrete adaptation projects. Back-to-back with the forum, the representative of the secretariat joined a two-day regional climate information workshop organized by Panos Caribbean and GermanWatch, and gave a plenary presentation on the Fund's accreditation and proposal processes, achievements and lessons learned.
- (j) Climate Finance Readiness Seminar Series: The secretariat organized three Climate Finance Readiness Seminars, as part of the overall Readiness Programme. The first held 1-2 May 2014 in Washington DC focused on convening experts and thought leaders in climate finance readiness, sharing experiences and charting paths forward. The second held 15-17 July 2014 in Washington DC brought implementing entities together including 13 NIEs, focused on readiness throughout project cycle. The third was held 10-12 September 2014, Bangkok, Thailand and co-hosted with UNEP, focused on increasing capacity of applicant and accredited implementing entities. More details on the outcome of the seminars are presented in Annex I.
- (k) 2014 Climate Investment Funds Partnership Forum (Montego Bay, Jamaica, 23-24 June, 2014): The secretariat organized, facilitated and made a presentation in a side event on the Direct Access experience of Jamaica with the Adaptation Fund. Participants to this event included a representative of the Private Sector Organization of Jamaica, a representative of the NIE for Jamaica, the Planning Institute of Jamaica, and a representative of the NGO PANOS, which is a member of the AF NGO Network.
- (l) The Manager of the secretariat made a presentation at the American Bar Association Panel on climate change adaptation (24 June 2014, Washington, DC) on the Adaptation Fund experience in funding adaptation.
- (m) The First NIE Readiness Workshop in Africa (Nairobi, Kenya, 1-4 July, 2014): The workshop was hosted by the National Environment Management Authority (NEMA) of Kenya and supported by the Heinrich Böell Foundation (HBS), Adaptation Fund and the Climate and Development Knowledge Network (CDKN). The workshop brought together accredited implementing entities of the Adaptation Fund on the continent and African institutions that wish to gain accreditation. The secretariat participated alongside the Board member from Ghana and an expert from the Accreditation Panel. The workshop focused on common obstacles that African National, Multilateral and Regional Implementing Entities face during the accreditation process and implementation of projects, as well as the opportunities, strategies and insights for effective use of funds disbursed from the Adaptation Fund. The secretariat also discussed potential partnerships for future readiness activities with HBS and the Economic Community of West African States (ECOWAS).
- (n) Meeting with the Climate Technology Centre and Network (CTCN) (8 September 2014): The Director, Mr. Jukka Uosukainen, and staff of CTCN visited the secretariat and discussed opportunities for partnership. Further, the two secretariats teams met during the workshop in Apia, Samoa (see below). The potential areas for collaboration identified are summarized in the letter contained in

Annex II of this document. The CTCN Director will make a presentation to the Board at this meeting,

- (o) Adaptation Fund Workshop Pacific Island States: The Secretariat of the Pacific Regional Programme (SPREP), an accredited RIE of the Fund, hosted a workshop in Apia Samoa from 15-19 September, 2014. The workshop provided an opportunity for participants to learn more about the Adaptation Fund, the project cycle and the accreditation process. The workshop was supported by the Asia Pacific Adaptation Network (APAN) and the Ministry of Environment, Japan through their Institute for Global Environmental Strategies (IGES), the Secretariat of the Pacific Community through their European Union Global Climate Change Alliance, the Pacific Island Forum Secretariat, and UNEP through the Climate Technological Centre and Network (CTCN). A representative from the Fund secretariat as well as an expert member of the Accreditation Panel attended the workshop and provided technical support, presentations, case studies, and were available to answer questions throughout the week.
- (p) Climate Finance Week – Practitioner Days (Lima, Peru, 26-28 August, 2014): The secretariat was invited by the government of Peru to participate in this event, which gathered different climate finance stakeholders, from public, private, and non-governmental sectors; at the global, regional and national levels. A representative of the secretariat made a presentation on the Readiness Programme during a panel session focused on readiness through sharing of experiences in planning for and managing climate finance.
- (q) Workshop and GCF Observer Consultation on Gender in the Green Climate Fund (Washington DC, USA, 8 September, 2014): A representative of the secretariat was invited to participate in an informal working group on integrating gender in the GCF, with the participation of CSOs and UN agencies who are observers in the GCF, as well as existing climate funds. The meeting was organized by the Heinrich Böell Foundation’s office in Washington DC. The discussion was aimed at providing input to the preparation of the GCF Gender Policy and Action Plan. The representative of the secretariat participated in the discussion by making an oral presentation on how gender concerns have been integrated in the operations of the Fund, highlighting the successes and rooms for improvement, including the lack of a formal AF Gender Policy.
- (r) Climate Week (New York, USA, 22-25 September, 2014): The Manager and three members of the secretariat attended the UN Climate Summit and various events organized during the Climate Week, including: a lunch seminar on “Facilitating Access to the Adaptation Fund” organized by the Government of Sweden at the Permanent Mission of Sweden to the United Nations; “Innovative Strategies for Living with Climate Change” at the Rockefeller Foundation and co-hosted by BBC Media Action; and “Corporations Leading Climate Change Around the World”, an ND-GAIN Corporate Adaptation Prize Ceremony in which it was announced that the Fund’s Senegal NIE, Centre de Suivi Ecologique, had won the 2014 ND-GAIN Corporate Adaptation Prize for its Fund-financed coastal zone project. The Manager participated in the “Leaders’ Forum on Women Leading the Way: Raising Ambition for Climate Action” hosted by Mary Robinson Foundation & UN Women. As part of the UNFCCC’s Climate Neutrality Now initiative, the UN Secretary General’s office offset the UN Climate Summit 2014’s carbon footprint with Fund

CERs. The UN estimated that the Summit created 18,639 tons of CO₂, with a total cost to offset: about \$6,000.

Preparations for the twenty-fourth 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-fourth Board meeting and for the fifteenth 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.15/4: 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.15/5	<i>Proposal for Chile (AGCI)</i>
AFB/PPRC.15/5/Add.1	<i>Project Formulation Grant for Chile (AGCI)</i>
AFB/PPRC.15/6	<i>Proposal for Mexico (IMTA)</i>
AFB/PPRC.15/6/Add.1	<i>Project Formulation Grant for Mexico (IMTA)</i>
AFB/PPRC.15/7	<i>Proposal for Burkina Faso (OSS)</i>
AFB/PPRC.15/8	<i>Proposal for India (1) (NABARD)</i>
AFB/PPRC.15/9	<i>Proposal for India (2) (NABARD)</i>
AFB/PPRC.15/10	<i>Proposal for Costa Rica (Fundecooperacion)</i>
AFB/PPRC.15/11	<i>Proposal for India (3) (NABARD)</i>
AFB/PPRC.15/12	<i>Proposal for India (4) (NABARD)</i>
AFB/PPRC.15/13	<i>Proposal for Jordan (MOPIC)</i>
AFB/PPRC.15/14	<i>Proposal for Morocco (ADA)</i>
AFB/PPRC.15/15	<i>Proposal for South Africa (1) (SANBI)</i>
AFB/PPRC.15/16	<i>Proposal for South Africa (2) (SANBI)</i>

7. As part of the Readiness Programme for Climate Finance, the secretariat had invited eligible countries to submit applications for grant to receive support for accreditation through a selected number of NIEs. Subsequently, four applications had been submitted by two NIEs, to support four countries. The secretariat prepared the following documents, including the applications and the review sheets prepared by the secretariat, as well as draft recommendations.

AFB/PPRC.15/17	<i>Proposal for Burundi (MINIRENA)</i>
AFB/PPRC.15/18	<i>Proposal for Cabo Verde (CSE)</i>
AFB/PPRC.15/19	<i>Proposal for Chad (CSE)</i>
AFB/PPRC.15/20	<i>Proposal for Niger (CSE)</i>

8. The documents for the PPRC meeting also include AFB/PPRC.15/3: Report of the secretariat on the intersessional review cycle.

9. Documents prepared for the EFC meeting include:

AFB/EFC.15/3	Annual Performance Report for the fiscal year 2014
AFB/EFC.15/4	Report of the portfolio monitoring mission to Jamaica
AFB/EFC.15/5	Designation of multilateral and regional implementing entities
AFB/EFC.15/6	Zero-tolerance policy for corruption
AFB/EFC.15/7	Risk management framework
AFB/EFC.15/8	Adaptation Fund Trust Fund: Financial report prepared by the trustee (as at 30 June 2014)
AFB/EFC.15/9	Reconciliation of the administrative budgets of the Board and secretariat, and the trustee for the fiscal year 2014

10. An information document prepared for the EFC meeting is: AFB/EFC.15/Inf.1: Joint report by the secretariat and the trustee on the status of the pipeline

11. Documents for the twenty-fourth Board meeting include the regular activities of the secretariat and Accreditation Panel reports (AFB/B.24/3 and AFB/B.24/4); as well as document AFB/B.24/5: Regional projects/programmes and AFB/B.24/6: Options for funding the project/programmes in the pipeline.

12. Six information documents prepared for the Board meeting are: AFB/B.24/Inf.1: List of documents; AFB/B.24/Inf.2: Adaptation Fund Board members and alternates; AFB/B.24/Inf.3: List of observers; AFB/B.24/Inf.4: Trustee Presentation: Update on Status of Resources and CER monetization; AFB/B.24/Inf.5: Agenda of the Civil Society Dialogue; and AFB/B.24/Inf.6: Consideration of issues related to regional projects/programmes.

Membership of the Board

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

- a) Mr. Peceli Vocea (Fiji), the Member for the Small Island Developing States, passed away in June 2014. Nomination is pending.
- b) Mr. Raúl Pinedo (Panama), the Member for the Latin America and Caribbean, resigned from the Board in August 2014. Mr. Emilio Luis Sempris Ceballos (Panama) has been nominated to replace Mr. Pinedo in September 2014.
- c) Mr. Michael Jan Hendrik Kracht (Germany) was nominated as the Member for the Annex I countries in October 2014.

Intersessional decisions approved by the Board

14. 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.23-24/1: Approval of second tranche of funding – Madagascar
- B.23-24/2: Approval of second tranche of funding – Eritrea
- B.23-24/3: Approval of second tranche of funding – Cook Islands
- B.23-24/4: Constituting an Independent Review Panel for an Overall Evaluation of the Fund
- B.23-24/5: Approval of budget revision, project extension, change in disbursement schedule, Direct Project Services, and report on project implementation - Mauritius
- B.23-24/6: Approval of second tranche of funding – Djibouti
- B.23-24/7: Approval of second tranche of funding – Samoa
- B.23-24/8: Approval of re-accreditation template
- B.23-24/9: Request for approval of Direct Project Services, UNDP (Eritrea)
- B.23-24/10: Approval of Terms of Reference for Phase I of the Adaptation Fund's Overall Evaluation
- B.23-24/11: Approval of third tranche of funding – Mongolia
- B.23-24/12: Non-approval of project in Fiji
- B.23-24/13: Non-approval of project in Mauritania
- B.23-24/14: Approval of third tranche of funding – Solomon Islands
- B.23-24/15: Approval of third tranche of funding – Pakistan
- B.23-24/16: DRFN Accreditation
- B.23-24/17: Approval of project in Belize
- B.23-24/18: Report of the Adaptation Fund Board to CMP10 & Annex to the Decision
- B.23-24/19: Use of Adaptation Fund CERs for UN System climate neutrality

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

The designation of Multilateral and Regional Implementing Entities

15. The secretariat prepared a document on the designation of Multilateral and Regional Implementing entities that should draw on classifications of other organizations and should include the resource implications for any changes made to those classifications.

Options for intersessional review and approval of project/programme proposals

16. The secretariat prepared a report on the intersessional review cycle to present at the fifteenth meeting of the PPRC.

Analysis of possible effects on administrative costs of the use of multiple Executing Entities and implementing partners for the implementation of local adaptation actions

17. The secretariat takes into account the capacity building needs of the selected executing partners, when reviewing the budget requested for new project/programme submissions for which the proposed implementation arrangements is based on multiple levels of execution.

Options for an Evaluation of the Fund

18. The secretariat issued a request for proposals following the World Bank procurement rules and procedures.

Core indicator methodologies

19. The secretariat informed implementing entities of the changes to the results tracking system including the requirements to provide indicative core indicator targets for fully developed project proposals and their inclusion in project performance reports (PPRs). The secretariat also completed the development of guidance for the modified results tracker and an exit survey for the accreditation process.

Project in Mauritania (WFP)

20. The secretariat wrote a letter to the World Food Programme (WFP) requesting they report back to the EFC about the Mauritania project's inception workshop and to submit a revised implementation schedule of the project by June 2014.

Agreement with the United Nations Foundation

21. The secretariat with the trustee initiated negotiations with the UNF and extended the agreements with the organization for the collection of online donations through December 31, 2015.

Strategic discussion on objectives and further steps of the Fund: report of the fundraising task-force

22. The secretariat continued assisting the Fundraising Task Force in fulfilling its mandate and prepared an implementation plan for the fundraising strategy, including specific activities and events during 2014 and 2015, and integrating its communications strategy.

Implementation of the readiness programme

23. The secretariat implemented the readiness programme in accordance with the approved criteria. See the report of the readiness programme in Annex I.

24. The secretariat submitted to the Board intersessionally between the twenty-third and twenty-fourth meetings a document outlining options for the development of the adaptation finance readiness knowledge exchange.

Issues arising from the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session

25. The secretariat reminded Board members to send its views on the terms of reference of the second review of the Fund, as contained in the annex to decision 2/CMP.9 so that they could be compiled for discussion at this meeting. No submissions were received as of the date of issuance of this document.

26. The secretariat included in the report to CMP10 information on the financial status of the Fund and extension of the Terms and Conditions of Service of the trustee.

27. The secretariat liaised with the secretariat of the United Nations Framework Convention on Climate Change in drafting the technical paper requested by decision 2/CMP.9, through information and data sharing.

28. The secretariat prepared a communication document which should include among other elements, a summary of the decision made by the Board at the twenty-third meeting and which must be ready for the fortieth session of the Subsidiary Body for Implementation.

Adoption of a zero tolerance policy for corruption and risk management framework

29. The secretariat will present for consideration by the EFC at its fifteenth meeting, (a) a draft zero tolerance policy for corruption and (b) an overview of existing policies and procedures addressing management of risks in the Fund's operations, including any proposals for amendments, as appropriate.

Communications

30. In alignment with its communications strategy, the secretariat continued to make available in digital and print format its new communications materials that tell the Adaptation Fund story in clear and compelling ways. Materials were translated into Spanish and French, and new communications pieces created include a Readiness Programme flyer and webpage, and an Adaptation Story Honduras. These materials comprise a fundraising 'toolkit' to support fundraising and other outreach activities; they also comprise a media kit, and are posted on the Fund website. The secretariat also designed the e-newsletter that the Fund will commence distributing publicly in the weeks after Board meetings, to Fund donors, supporters and interested parties. The secretariat compiled the initial distribution list for the e-newsletter.

31. In alignment with its communications strategy, the secretariat continued to foster positive relations with key media. This included desk-side meetings with Thomson-Reuters, the Thomson-Reuters Foundation, RTCC, the BBC, and National Geographic to provide overview an overview of the Fund, and pitch story ideas about the Fund.

32. In alignment with reaching out to initiate and cultivate relations with the private sector, the secretariat made contact with and provided overview information about the Fund to BBC Media Action, BNP Paribas, Britdocs, Climate Development & Knowledge Network (CDKN), Clinton Foundation, Coutts Philanthropy, Howard Buffett Foundation, Mary Robinson Foundation, Rockefeller Foundation, Royal Foundation, and SwissRe.

33. At events the secretariat and Board attended, the secretariat provided communications support, ranging from providing AF outreach materials, talking points and speeches, arranging for inclusion of AF-related members on panels, providing social media and press outreach and liaising, organizing exhibit spaces, and other such activities as needed.

34. The secretariat continued its activity on its primary social media channels, Twitter, Facebook and Flickr, growing its audiences and disseminating information. Since summer 2013, its Twitter audience has grown over 360%, from 498 to 2,320, and its Facebook audience has grown over 4,000%, from 271 to 10,470.

35. The secretariat prepared a communications and outreach strategy for the Readiness Programme on Climate Finance, and began its implementation, including creating: a specialized logo for the programme and making it available for internal and external use; an information flyer; and a webpage and social media outreach strategy. The secretariat also conducted an analysis of website resources related to climate finance readiness and identified a strategic partner for the programme's online knowledge exchange microsite.

36. The Secretariat retained the services of an IT consultant to continue repairs and regular maintenance of the Accreditation password-protected website. The secretariat also retained the services of another IT consultant to assist in creating the foundational documents (e.g. "blueprint") of the Adaptation Fund's new website, and a microsite for the Readiness Programme's online knowledge exchange platform. The consultant, working with the secretariat, is now engaged in the website redesign and microsite build.

37. Regarding activities planned for COP 20 / CMP 10 (Lima, 1-12 December 2014), the secretariat secured an exhibition booth at the COP venue and a side-event slot. More information will be provided to the Board before the COP.

Support to the Accreditation Panel

38. The secretariat worked closely with the Panel Chair and Vice-Chair and assisted the Panel in its discussions. The seventeenth Panel meeting was held on 25-26 August 2014 in Washington DC, USA. The secretariat also assisted the Panel in finalizing its report, contained in document AFB/B.24/4.

39. As of the date of issuance of this document and after the last Board meeting, the secretariat received four new completed NIE applications and one new RIE application. All are currently under review by the Accreditation panel.

40. Since the inception of the accreditation process, the secretariat has received and screened 80 applications: 59 from non-Annex I Parties, nine from regional organizations and 12 from multilateral organizations and development banks. The Panel has so far reviewed 53 applications: 33 from non-Annex I Parties, eight from regional organizations and development banks, and 12 from multilateral organizations and development banks.

Table 1: Status of accreditation applications submitted to the secretariat as of September 2014

	NIE	RIE	MIE
Accredited	17	4	11
Not accredited	7	1	0
Under review by Accreditation Panel	8	3	1
Screened by secretariat pending completion of accreditation application	0	0	0

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

Screening/technical review of project/programme proposals

41. 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)

42. The secretariat has completed the review and cleared the second Project Performance Reports (PPR) for the project implemented in Mongolia (UNDP, inception date: 14 June 2012), Solomon Islands (UNDP, inception date 28 June 2011), Turkmenistan (UNDP, inception date 22 May 2012) and Pakistan (UNDP, inception date 15 November 2011), and the first PPRs for the projects implemented in Papua New Guinea (UNDP, inception date: 26 July 2012), Madagascar (UNEP, inception date: 24 October 2012), Eritrea (UNDP, inception date: 6 November 2012), Cook Islands (UNDP, inception date: 4 July 2012), Mauritius (UNDP, inception date: 30 August 2012), Djibouti (UNDP, inception date: 13 March 2013), Samoa (UNDP, inception date 28 January 2013), and Egypt (WFP, inception date: 31 March 2013). The PPR for Mauritius was submitted together with a request to the Board to approve budget revision, project extension, change in disbursement schedule and approval of Direct Project Services, and the project for Eritrea separately requested the Board to approve provision of Direct Project Services. 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 Papua New Guinea (Decision B.22-23/13), Madagascar (Decision B.23-24/1), Eritrea (Decision B.23-24/2; including approval of Direct Project Services through Decision B.23-24/9), Cook Islands (Decision B.23-24/3), Mauritius (Decision B.23-24/5, including approval of budget revision, project extension, change in disbursement schedule and approval of Direct Project Services), Djibouti (Decision B.23-24/6), Samoa (Decision B.23-24/7), Mongolia (Decision B.23-24/11), Solomon Islands (Decision B.23-24/14) and Pakistan (Decision B.23-24/15). The PPRs were also made publicly available on the Fund's website. The secretariat is continuing the review of PPRs for Colombia (UNDP, inception date: 21 March 2012), Maldives (UNDP, inception date: 30 August 2012), Georgia (UNDP, inception date: 4 July 2012), and Papua New Guinea (UNDP, inception date: 26 July 2012).

Ongoing collaboration and exchange of information with the GCF secretariat

43. The secretariat continued providing information and sharing its experience, mainly on accreditation, funding criteria, proposal review and results based management, at the request of the secretariat of the GCF. The GCF also participated remotely or in-person in all the seminars and workshops conducted as part of the Fund's Readiness Programme.

Personnel

44. Mr. Daniel Gallagher, the Junior Professional Associate completed his tenure in August 2014. The recruiting process for his replacement is ongoing.

45. The secretariat recruited Ms. Patty Miller, an expert on social and environmental safeguard as a replacement of Mr. Jose Cabral (Short Term Consultant) who resigned his position in May 2014.

46. Mr. Fabrice Musoni, the Program Analyst for the Readiness Programme (Short Term Consultant) resigned from the secretariat in July 2014.

47. Ms. Mame Arame Wade, the intern of the secretariat, completed her tenure in support for database management in August 2014. The secretariat recruited Ms. Devorah Gillian Flax Davidson, a research intern in September 2014.

Annex I

Report of the Readiness Programme

Background

1. The Adaptation Fund Board (the Board) discussed at its twenty-first meeting the need for a range of capacity enhancement measures, ranging from support in the identification of potential National Implementing Entities (NIEs) within a country through to strengthening the appraisal, design, implementation, and monitoring of adaptation projects and programmes undertaken by NIEs and Regional Implementing Entities (RIEs). The Board approved *Phase I of the Readiness Programme as detailed in document AFB/B.22/6*. The following document is a brief progress report on the activities of the programme through the end of September 2014.

Activity Progress

2. The Readiness Programme consists of three main components:

- Component 1: Increase the capacity of national and regional entities to meet the Fund's fiduciary standards and comply with the environmental and social policy of the Fund
- Component 2: Increase the capacity of accredited national and regional organizations to undertake appraisals of and assess risks within adaptation projects
- Component 3: Improved knowledge, knowledge sharing, and skills for accessing adaptation finance

3. From the launch of the programme in May 2014 till the end of September 2014 work has been done in all three of these areas. The paragraphs below provided details on specific activities.

Seminars/Workshops

4. A number of specific activities were approved within each of these components to achieve the main objectives of the programme of increasing the number of NIEs accredited and the number of quality projects submitted by NIEs/RIEs in addition to building partnerships with other organizations and raising the profile of the Fund.

5. As such, the secretariat held a series of seminar. Three seminars were undertaken and two workshops initiated by partner organizations were supported:

- Climate Finance Readiness Seminar #1: Held 1-2 May in Washington DC with a focus on convening experts and thought leaders in climate finance readiness, sharing experiences and charting paths forward.
- Climate Finance Readiness Seminar #2: Held 15-17 July in Washington DC with a focus on NIE readiness throughout project cycle.
- Climate Finance Readiness Seminar #3: Held 10-12 September, Bangkok, Thailand and co-hosted with UNEP, focus on increasing capacity of applicant and accredited implementing entities.

6. In addition to the seminars organized by the secretariat, the secretariat provided support for two additional workshops led by other organizations:

- 1-4 July - First NIE Readiness Workshop in Africa, Nairobi, Kenya, with representatives of all NIEs of Africa, focus on accreditation process and implementation of projects. The workshop was hosted by the National Environment Management Authority (NEMA) of Kenya, and supported by the Heinrich Böell Foundation, Adaptation Fund, and the Climate and Development Knowledge Network (CDKN)
- 15-19 September Adaptation Fund Workshop Pacific Island States: The Secretariat of the Pacific Regional Programme (SPREP), an accredited RIE of the Fund, hosted a workshop in Apia Samoa from 15-19 September. The workshop provided an opportunity for participants to learn more about the Adaptation Fund, the project cycle and the accreditation process. The workshop was supported by the Asia Pacific Adaptation Network (APAN) and the Ministry of Environment, Japan through their Institute for Global Environmental Strategies (IGES), the Secretariat of the Pacific Community through their European Union Global Climate Change Alliance, the Pacific Island Forum Secretariat, and UNEP through the Climate Technological Centre and Network (CTCN).

7. Out of the several seminars and workshops convened over the past several months several recurring messages have been expressed, these included:

Benefits of going through the accreditation process

✓ AF accreditation:

- raises the profile of climate change adaptation in-country
- can help mobilize additional resources for climate change adaptation
- helps “fine-tune” an organization’s policies, procedures, and standards, and align with international standards
- Validates organization’s process and increases its national and international reputation
- consolidates a commitment to implementing the project
- places an NIE in a position to promote collaboration with other national and multilateral organizations in-country
- NIEs can take on more responsibilities related to climate finance having gone through the process

Main challenges faced by NIEs going through the accreditation process

- ✓ The political process of choosing the right entity
- ✓ The process is time consuming and highly demanding
- ✓ Lack of appropriate documentation of certain operations or policies
- ✓ When English is not the working language, translation is costly and time consuming

Other issues

- ✓ The predictability of financing is an important incentive

- ✓ Some NIEs are already providing South-South cooperation to other entities in the same region or even in other regions. It is useful because entities facing the same challenges and constraints are likely to better understand each other and this type of collaboration should be promoted
- ✓ Applicants should seek external assistance/financial support to address identified gaps
- ✓ It would be helpful to organize additional regional workshops to encourage learning and networking
- ✓ One on one meetings with the experts from the Accreditation Panel was cited by the participants as one of the most useful parts of the Bangkok seminar
- ✓ Concern about how AF's accreditation process will align with the evolving GCF process as well as more generally about AF resource mobilization, alignment/partnership with GCF were main questions, repeated throughout the week in different forms
- ✓ Strong message that AF is very much needed and a model that should be repeated and learned from
- ✓ Clear articulation that GCF standards should be as close to AF's as possible

Requests from the AF

From accredited NIEs: while the project preparation grant (PPG) is useful, the limit of \$30,000 is insufficient to undertake all aspects of developing a full proposal.

Summaries of all of the Adaptation Fund Seminars as well as all presentation materials can be found on the Fund website: <https://adaptation-fund.org/node/3944>

South-South Cooperation Grants

8. Within the reporting time frame the secretariat also launched a call for proposals for South-South cooperation grants. Four have been submitted:
- Rwanda (MINIRENA) on behalf of Burundi
 - Senegal (CSE) on behalf of Cape Verde
 - Senegal (CSE) on behalf of Chad
 - Senegal (CSE) on behalf of Niger

These proposals have been submitted to the PPRC for review at the twenty-fourth Board meeting.

Environmental and Social Policy Support

9. Providing support for implementing the Fund's Environmental and Social Policy was also part of the readiness programme. As such, in each of the seminars/workshops the policy and its implications on both accreditation and project formulation have been discussed with a specific case study designed to address the issue.

10. A guidance document on how to address the policy during project design has also been developed and circulated for comments. The guidance should be finalized by early November of 2014.

11. As part of the programme, the Fund will provide small technical grants to accredited NIEs to help support capacity building in this area. The secretariat has circulated surveys to the Fund's accredited NIEs to assess the needs of entities and determine the best of support. The Environmental and Social support grants will be launched by November of 2014.

Knowledge Exchange Microsite

12. Another part of the readiness programme is supporting the development of an adaptation finance readiness knowledge exchange that will play a major role in disseminating knowledge and tools to enable access to adaptation finance.

13. The secretariat has done the research and analysis of other online resources in this space, and has identified a key strategic partner for its development and ongoing functioning. Arrangements are being worked out with the Climate and Development Knowledge Network (CDKN), and a web consultant has been engaged to commence designing this microsite. Knowledge products and tools offered on this microsite will eventually include elements such as: relevant documents, case studies (on projects and accreditation process), multimedia posts; webinars with experts; peer to peer mentoring network that will link those who have been through specific steps of adaptation financing and project cycles with those needing advice/insights or technical expertise.

Execution arrangements

14. The secretariat will determine whether it is more effective, from cost and sustainability perspectives, to partner with an existing knowledge management digital platform, or build its own. It will then execute the most appropriate arrangement.

Outcomes of Programme

15. Increased NIE/RIE accreditation applications: Since the launch of the readiness programme, the Fund has received two new completed NIE applications and one new RIE application. Four countries have also submitted nominations for entities to apply for accreditation (these applications have not yet been submitted).

16. Increased NIE Project Proposals: For the twenty-fourth Board meeting, eleven project proposals were submitted by NIEs.

17. Increased Partnership Opportunities: The programme has already given the Fund an opportunity to collaborate and build partnerships specifically the Fund co-organized its third seminar with UNEP and collaborated with Heinrich Böell Foundation and SPREP on workshops related to the Fund. CDKN has also provided support to both the workshop that took place in Nairobi as well as supporting the participation of a couple of countries to the Bangkok workshop. The Fund is working out arrangements with CDKN to collaborate on the knowledge exchange microsite.

18. Increased Visibility and Thought Leadership Positioning: The programme has helped increase the visibility of the Fund, and positioned it as a thought leader in climate finance readiness. Through outreach about each of the seminars, to the media and practitioners and on the Fund's digital channels, the programme's reach has been global and has strengthened the Fund's brand.

Future Collaboration

19. For the near-term, workshop participants agreed to bring the insights of the workshop and accompanying analytical studies to the relevant policy processes including the Board, the African Group as well as Conference of the Parties of the UNFCCC. Reflecting on the activities of the Fund and other organizations to support direct access to climate finance in developing countries, the Fund and workshop organizers recognized the fact that the secretariat has received much interest in its Readiness Programme and expressions from participants of continued support. While the Programme has had a lot of momentum and great progress had been made, the Secretariat also recognizes the importance of collaboration and partnerships with stakeholders sharing the same objective to enhance capacity and readiness for adaptation finance. As such, the workshop organizers and the Secretariat have sought to further existing partnerships and establish new ones with other organizations to plan additional workshops in 2015. These potentially include:

- Regional workshop for LAC co-organized with Latin American Development Bank (CAF) (Panama City, Panama, April 2015);
- Regional workshop for Southern Africa co-organized with Heinrich Böell Foundation (Windhoek, Namibia, June 2015);
- Regional workshop for Western Africa co-organized with ECOWAS (Abuja, Nigeria, during 2015).

20. The details of the type of collaboration and content workshops/seminars are still in process.

21. Since the Programme was originally schedule to run through December 2015, the Board may request the secretariat to develop a proposal for a second phase of the Readiness Programme to present to the Board's twenty-fifth meeting.

1 October 2014

Ms Marcia Levaggi
Manager
Adaptation Fund Board Secretariat
Email: mlevaggi@adaptation-fund.org

Dear Ms. Marcia Levaggi:

It was a pleasure to meet with you in Washington on 8 September. I am inspired by our shared goal of identifying and operationalizing specific coordination modalities between the Adaptation Fund and the Climate Technology Centre (CTCN), and am eager to do make this happen. As I believe you know, some of our respective staff recently met to identify potential objectives and specific coordination modalities, while they were together at SPREP from 17-20 September, delivering a joint workshop for Pacific SIDS on accessing financing from the Adaptation Fund and technology services from the CTCN.

We believe this coordination between our respective UNFCCC Institutions can help the Adaptation Fund in further achieving its goals financing concrete adaptation **projects and programmes** in developing countries particularly vulnerable to the adverse effects of climate change. Likewise, for the CTCN, the alignment of our services with project financing from the Adaptation Fund will help ensure the technical assistance and broader capacity development support will have deeper impact and broader deployment.

Based on the discussions we have had to date, some of the potential objectives and specific modalities our staff have begun to identify are as follows:

Potential synergy 1: Link technical assistance with project financing from the Adaptation Fund.

Potential modality 1.1: Countries seeking project financing from the Adaptation Fund would be reminded by the Fund's Secretariat of the opportunity to request complimentary technical assistance through CTCN to address technological barriers that are crucial to successful implementation of project financing. This communication from the Adaptation Fund may be conveyed at one or all of the following junctures in the Adaptation Fund process: (i) upon national accreditation; (ii) upon project concept endorsement; and (iii) upon project approval.

Potential modality 1.2: The CTCN would encourage its National Designated Entities and the national beneficiary of the CTCN Technical Assistance to discuss with the relevant National Designated Authority and National Implementation Entity the opportunity of developing a relevant project to the Adaptation Fund to sustain follow-up actions to the CTCN Technical Assistance.

Potential synergy 2: Avoiding duplication and maximize synergies between the Adaptation Fund and CTCN Knowledge Management Systems.

Potential modality 1.1: Build specific knowledge content linkages on our respective web-based platforms, including databases on reference documents, good practice materials, tools, and references to each other projects and technical assistance activities.

We would be delighted to refine and deepen our shared thinking on these matters, and consider how we can communicate our growing collaboration, including at COP20 in Lima.

I look forward to solidifying active and effective collaboration with you and your team in the coming months.

Sincerely,



Jukka Uosukainen
Director CTCN

Ms Christiana Figueres, Executive Secretary, UNFCCC (Email: figueresc@unfccc.int)