



ADAPTATION FUND

AFB/B.25/7
10 April 2015

ADAPTATION FUND BOARD

Twenty-fifth Meeting
Bonn, Germany, 9-10 April, 2015

DECISIONS OF THE TWENTY-FIFTH MEETING OF THE ADAPTATION FUND BOARD

Agenda Item 2: Transition of the Chair and the Vice-Chair

1. The Adaptation Fund Board decided to elect:
 - (a) Mr. Nauman Bashir Bhatti (Pakistan, Asia) as Vice-Chair of the Adaptation Fund Board;
 - (b) Mr. Yerima Peter Tarfa (Nigeria, Africa) as Vice-Chair of the Project and Programme Review Committee;
 - (c) Mr. Michael Jan Hendrik Kracht (Germany, Annex I Parties) and Ms. Fatuma Mohamed Hussein (Kenya, Non-Annex I Parties) as coordinators of the resource mobilization task-force; and
 - (d) Mr. Jeffery Spooner (Jamaica, Latin America and the Caribbean), Mr. Marc-Antoine Martin (France, Western European and Others Group); Ms. Patience Dampsey (Ghana, Non-Annex I Parties), Ms. Wenhong Huang (China, Non-Annex I Parties), and Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties) as members of the resource mobilization task-force.

(Decision B.25/1)

Agenda Item 5: Report on the activities of the secretariat

2. Having considered the report on the activities of the secretariat, the Adaptation Fund Board decided to:
 - (a) Amend Decision B.23/15 and require that all first submissions of concepts under the two-step approval process and fully-developed project/programme documents under the one-step process continue to be considered in regular meetings of the PPRC;

- (b) Request the secretariat to review, during its inter-sessional review cycles:
 - (i) First submissions of fully-developed project/programme documents for which the concepts had already been considered in regular meetings of the PPRC and subsequently endorsed by the Board,
 - (ii) Resubmissions of project/programme concepts and resubmissions of fully-developed project/programme documents;
- (c) Request the PPRC to consider inter-sessionally the technical review of such proposals as prepared by the secretariat and to make intersessional recommendations to the Board;
- (d) Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure; and
- (e) Inform implementing entities and other stakeholders about the updated arrangement by sending a letter to this effect, and make effective such amendment starting with the review cycle between the twenty-fifth and twenty-sixth meetings of the Board.

(Decision B.25/2)

Agenda Item 6: Report of the eighteenth meeting of the Accreditation Panel

Accreditation Fundación NATURA, Panama

3. After considering the conclusions and recommendation of the Accreditation Panel, the Adaptation Fund Board decided to accredit the *Fundación NATURA* as a National Implementing Entity.

(Decision B.25/3)

Accreditation of Micronesia Conservation Trust as a National Implementing Entity

4. After considering the conclusions and recommendation of the Accreditation Panel, and pursuant to the approval of the Streamlined Accreditation Process for National Implementing Entities (AFB/EFC.16/7), the Adaptation Fund Board decided to accredit the Micronesia Conservation Trust as a National Implementing Entity, subject to two conditions:

- (a) The Micronesia Conservation Trust (MCT) is eligible to submit project/programme proposals to the Fund for up to US\$ 1 million; and
- (b) MCT should include in its project proposals to be submitted to the Adaptation Fund a description of the expertise and ability of the resources that it will use to complete or oversee procurements – this would apply to projects with anticipated procurements over US\$ 10,000.

(Decision B.25/4)

Review of the accreditation process

5. After considering the conclusions and recommendation of the Accreditation Panel, the Adaptation Fund Board decided to request the secretariat, in collaboration with the Panel, to develop a proposal to enhance the efficiency and effectiveness of the Fund's accreditation process. The proposal should integrate any relevant recommendations or observations from the Fund's overall evaluation.

(Decision B.25/5)

Agenda Item 7: Report of the 16th meeting of the Project and Programme Review Committee*Concept Proposal from a National Implementing Entity*

Senegal: Reducing vulnerability and increasing resilience of coastal communities in the Saloum Islands (Dionewar) (Project Concept; Centre de Suivi Ecologique (CSE); SEN/NIE/Coastal/2015/1; US\$ 1,351,000)

6. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Not endorse the project concept, as supplemented by the clarification response provided by the Centre de Suivi Ecologique (CSE) to the request made by the technical review;
- (b) Suggest that CSE reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The project should provide a clear and reasoned explanation of the extent to which the choice of proposed activities are rational from an evidence-based analysis perspective, highlight the role played by climate change in the current challenges faced by local communities, and the state of the current drivers of natural resources management issues. Providing such information would allow a clearer understanding of the project rationale, would strengthen the underlying adaptation reasoning of the project, and would outline how such project would differ from a business-as-usual development project;
 - (ii) The proposal has broadened the scope of the project, and a few planning related activities have been added to the proposed project. The project proponent should ensure that such an extension of the range of activities will (i) not lead to the emergence of new challenges, (ii) be realistic with the budget allocated to such measures, and (iii) allow a smooth enforcement of such plans once implemented. Furthermore, the proposal should address further the questions of potential land use challenges, and coherence of the project with existing value-chain development programmes and delta-wide planning initiatives, such as the Delta du Saloum Biosphere;
 - (iii) The proposal should demonstrate further the economic rationality of the proposed adaptation measures. There is currently not enough economic, financial and market-based information (such market studies, value chains analysis etc.), or

evidence-based information related to similar experiences in the region, to support the economic soundness of the activities that the project plans to implement, particularly those related to the reawakening of the targeted productive sectors;

- (iv) The proposal should clarify the types of environmental and social impact assessments that will be performed in the framework of the Environmental Code and other relevant laws as some risks have been identified;
 - (v) The proposal should identify further relevant and potentially overlapping projects/programmes, and state any lack of overlap / complementarity in a logical manner;
- (c) Not approve the Project Formulation Grant of US\$ 30,000; and
- (d) Request CSE to transmit the observations referred to in sub-paragraph (b) to the Government of Senegal.

(Decision B.25/6)

Concept Proposals from Regional Implementing Entities (RIEs)

Federated States of Micronesia: “Enhancing the Resilience of Vulnerable Island Atoll Communities in FSM to Climate Change Risks through a ‘Living with the Sea’ National Risk Management Framework”
(Project Concept; Secretariat of the Pacific Regional Environment Programme (SPREP); FSM/RIE/Coastal/2014/1; US\$ 8,967,600)

7. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Not endorse the project concept, as supplemented by the clarification response provided by the Secretariat of the Pacific Regional Environment Programme (SPREP) to the request made by the technical review;
- (b) Suggest that SPREP reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
 - (i) Despite having explicitly requested the project proponent to submit a revised project document, only a response sheet was provided as an additional document for the final technical review. Any revised proposal would need to incorporate, in the proposal itself, the changes suggested in the response sheet;
 - (ii) The proposal should clarify the validity of the proposed investment under output 3.1. In fact, according to the additional information provided, such investment rests upon the results and findings of the Pilot Programme for Climate Resilience’s (PPCR) Cost Benefit Analysis currently being undertaken. This situation makes it difficult for the Adaptation Fund to assess the legitimacy of the proposed project and to make a funding decision, as such study may bring key insights on the relevance, soundness, resilience and feasibility of such investment;

- (iii) The proposal should encompass a consultative process specific to the proposed project. Such a consultation process should involve all direct and indirect stakeholders of the project/programme, including vulnerable groups and taking into account gender considerations. Particular attention should be given to minority groups, marginalized and vulnerable groups, and indigenous people in the project/programme target areas, where relevant. The results of the consultative process must be reflected in the project design. This is of the utmost importance as the support from communities is outlined as a cornerstone in sustaining and maintaining the proposed investments;
 - (iv) The proposal should demonstrate, in a rational way, the proposed project's compliance with the environmental and social principles as outlined in the Fund's Environmental and Social Policy (ESP), including how relevant standards will be applied through the project implementation, when applicable. Further assessment is notably required for principles on access and equity, marginalized and vulnerable groups, gender equity and women's empowerment, indigenous peoples (if any), involuntary resettlement, protection of natural habitats, physical and cultural heritage and land and soil conservation. As a number of Environmental Impact Assessments (EIAs); and/or Environmental and Social Impact Assessments (ESIAs) are to be prepared during the project implementation, an Environmental and Social Management Plan (ESMP) will be requested at the full proposal stage;
 - (v) The proposal should clarify the implementation arrangements. If SPREP intends to provide a range of services to the project, it would be considered an executing entity. In such a case, Board Decision B.17/17 to "cap execution costs for projects/programmes implemented and executed by the same entity at 1.5 per cent of the project/programme cost" would apply. As a result, the execution costs that could be claimed by SPREP would be capped at 1.5 per cent of the total budget requested, before the implementing entity fees. In such a case, as per Board Decision B.17/17, SPREP should provide a letter from the government requesting direct services support and providing appropriate justification for such a request; and
- (c) Request SPREP to transmit the observations referred to in sub-paragraph (b) to the Government of the Federated States of Micronesia.

(Decision B.25/7)

Uganda: Enhancing Resilience of Communities to Climate Change through Catchment Based Integrated Management of Water and Related Resources in Uganda (Project Concept; Sahara and Sahel Observatory (OSS); UGA/RIE/Water/2015/1; US\$ 7,494,280)

8. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Endorse the project concept, as supplemented by the clarification response provided by Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) Request the secretariat to transmit to OSS the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) At the fully-developed proposal stage, more specific information should be provided on the expected climate changes proposed to be addressed by the project, and on how the proposed interventions would be targeting the specific vulnerabilities of the individual target areas;
 - (ii) The fully developed proposal should analyse further the identified factors that have prohibited sustainable land/water management in the past, and that have functioned as drivers of unsustainable practices, and therefore constitute part of the baseline situation of the project, and ensure that the proposed interventions correspond to those baseline impediments and drivers;
 - (iii) The fully developed proposal should elaborate the relationship between the existing draft catchment management plans and the proposed planning interventions at the community level;
 - (iv) Given the described risks, and as adequate risk screening or impacts assessment is not possible for the incompletely identified sub-projects and activities, the project should be seen as belonging to Category B, and the fully developed proposal should present an overall project Environmental and Social Management Plan (ESMP);
- (c) Request OSS to transmit the observations referred to in sub-paragraph (b) to the Government of Uganda; and
 - (d) Encourage the Government of Uganda to submit through OSS a fully-developed project proposal that would address the observations referred to in sub-paragraph (b).

(Decision B.25/8)

Fully-developed Proposals from National Implementing Entities

Small-size proposal:

India: Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities (Fully-developed project document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Agri/2014/2; US\$ 969,570)

9. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Not approve the project document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Suggest that NABARD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) As requested previously, the proposal should identify particularly vulnerable groups (among the target population that as a whole is vulnerable) and explain how the views of such groups have been taken into account in project design;

- (ii) As requested previously, the proposal should provide further detail on how the financial sustainability of project outcomes will be ensured beyond the project duration, and particularly how the activities would be mainstreamed into government programmes for replication in a financially sustainable manner;
 - (iii) Given the present environmental and social risks, the proposed project should be re-categorized as Category B, and the proposal should elaborate on the environmental and social risks, especially related to access and equity, marginalised and vulnerable groups, gender and women's empowerment, and involuntary resettlement;
 - (iv) The proposal should state compliance with the Adaptation Fund Environmental and Social Policy and present a project-level Environmental and Social Management Plan, which would be applied to all the project activities, and would explain the supervisory role of NABARD in implementing the plan. The proposal should also present a comprehensive grievance mechanism; and
- (c) Request NABARD to transmit the observations referred to in sub-paragraph (b) to the Government of India.

(Decision B.25/9)

Regular-size proposals:

India: Building Adaptive Capacities of Small Inland Fishers for Climate Resilience and Livelihood Security, Madhya Pradesh, India (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Food/2013/1; US\$ 1,790,500)

10. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Approve the project document as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Approve the funding of US\$ 1,790,500 for the implementation of the project, as requested by NABARD; and
- (c) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the project.

(Decision B.25/10)

India: "Climate proofing of watershed development projects in the states of Tamil Nadu and Rajasthan" (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Food/2013/1; US\$ 1,378,010)

11. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Not approve the fully-developed programme document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development to the request made by the technical review;
- (b) Suggest that NABARD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The proposal should provide clearer and more coherent information regarding the outcomes, outputs, and activities, as it remains unclear what role the project will play in some proposed activities, such as the "maintenance fund" for instance, insurance-related products, the alternative activities, and others. In addition, the proposal should further harmonize the project and activities description, the results framework, and the proposed budget. Finally, the proposal should amend inconsistencies about the project costs, and should consequently ensure that the proposal complies with the policy of the Adaptation Fund on the budget for execution costs and project cycle management fees;
 - (ii) The proposal should provide additional consistent information regarding the consultative process, and outline that most vulnerable communities, gender, tribal and castes' considerations have been taken into account during the process, and that the needs and views of such stakeholders are reflected in the selection of proposed activities. Evidence that the desires of such populations are reflected in the project design should be highlighted;
 - (iii) The proposal should provide a project-level Environmental and Social Management Plan (ESMP), which includes the mechanism for risk identification and any subsequent management activities that may be required. The ESMP should be commensurate with the risks identified in compliance with the Environmental and Social Policy (ESP). Finally, the proposal should confirm that the activities managed with Adaptation Fund funds will be a stand-alone project and that activities will be managed independently from the NABARD-funded project, otherwise, if it is not so, the AF ESP would have to apply to the programme in its entirety (i.e. including NABARD-funded activities);
 - (iv) The proposal should demonstrate further that the economic profitability of the proposed activities will be sufficient to enforce technology adoption amongst rural communities and will change their production behaviours, as the results framework is based on the assumption that farmers will be "willing to adopt climate resilient technologies" and states that there is a risk of "lack of capacity and resources for adoption"; and
- (c) Request NABARD to transmit the observations referred to in sub-paragraph (b) to the Government of India.

(Decision B.25/11)

Jordan: Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through Implementing Innovative projects in water and agriculture in support of adaptation to climate change (Fully-developed Programme Document; Ministry of Planning and International Cooperation (MOPIC); JOR/NIE/Multi/2012/1; US\$ 9,226,000)

12. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Approve the fully-developed programme document, as supplemented by the clarification response provided by the Ministry of Planning and International Cooperation (MOPIC) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,226,000 for the implementation of the programme, as requested by MOPIC; and
- (c) Request the secretariat to draft an agreement with MOPIC as the National Implementing Entity for the programme. The agreement should include:
 - (i) A commitment from MOPIC that during the implementation of programme activities, the potential environmental and social risks associated with the wastewater reuse activities will be monitored in compliance with the Environmental and Social Policy of the Fund; and
 - (ii) A commitment that, in the case of the identification of any unforeseen risks, the relevant mitigation measures will be included in an updated Environmental and Social Management Plan which will be implemented and adequately reported to the Board through the annual programme performance reports.

(Decision B.25/12)

Morocco: Climate change adaptation project in oasis zones – PACC-ZO (Fully-developed Project Document; Agence pour le Développement Agricole (ADA); MAR/NIE/Agri/2013/1; US\$ 9,970,000)

13. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Approve the fully-developed project document, as supplemented by the clarification response provided by *Agence pour le Développement Agricole* (ADA) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,970,000 for the implementation of the project, as requested by ADA; and
- (c) Request the secretariat to draft an agreement with ADA as the National Implementing Entity for the project. The agreement should include:
 - (i) A commitment from ADA that prior to any construction or activity within the site of Tafilalet which is classified under the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar), the potential environmental and social risks will be assessed in compliance with the Environmental and Social Policy of the Fund, and
 - (ii) A commitment that, in the case of identification of any significant risks within the site, the relevant mitigation measures will be included in an updated Environmental and Social Management Plan which will be implemented and adequately reported to the Board through the annual project performance reports.

(Decision B.25/13)

Peru – Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries (Fully-developed Project Document; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); PER/NIE/Coastal/2015/1; US\$ 6,950,239)

14. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Not approve the project document, as supplemented by the clarification response provided by the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request made by the technical review;
- (b) Suggest that PROFONANPE reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues;
 - (i) The proposal should elaborate how effective the listed existing measures to control overfishing and unsustainable fishing methods are, what gaps or inadequacies in those measures exist and how the project could address those issues;
 - (ii) It is recommended that the proponent carries out additional consultations directly with the target communities. Those consultations should be informed by the recent developments since the previous consultations carried out in 2012; there should be an appropriate analysis of vulnerable groups within the communities, including women, and the design of project activities should take the needs and priorities of those groups, as expressed in the consultations, into account. Also specific indicators for women and vulnerable groups should be added as possible;
 - (iii) The proposal should comprehensively explain the maintenance of the project outputs, including institutional arrangements and responsibilities, financial resources, and for outputs at the community level, commitment by those stakeholders/communities;
 - (iv) The assessment of environmental and social risks, as well as plans for a grievance mechanism should be elaborated, and the proposal should show that the required environmental impact assessments that will be carried out will also meet the requirements of the Adaptation Fund Environmental and Social Policy, and schedule an update of the Environmental and Social Management Plan accordingly; and
- (c) Request PROFONANPE to transmit the observations referred to in sub-paragraph (b) to the Government of Peru:

(Decision B.25/14)

Options for improving the tracking of changes made between different versions of project/programme proposals

15. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC), and to help the Committee with tracking the changes made to the previous versions of proposals that it was considering, the Adaptation Fund Board decided to:

- (a) Request the project/programme proponents to submit through the secretariat:
 - (i) The proposal document to be considered at a Board meeting both in a clean version and one with highlighted text to reflect the changes made to the proposal submitted at the previous meeting of the Board;
 - (ii) A response table explaining where and how the observations made by the Board at its last meeting had been addressed by the proponent; and
- (b) Request the PPRC to consider, at its eighteenth meeting, the experience gained by the PPRC in operationalizing this decision.

(Decision B.25/15)

Capitalization of the Adaptation Fund's climate change reasoning

16. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board decided to request the secretariat to present, for consideration of the PPRC at its seventeenth meeting, an analysis of how project and programme proposals approved by the Board have addressed climate change adaptation reasoning, especially at the local level, based on the review criteria approved by the Board.

(Decision B.25/16)

Agenda Item 8: Report of the 16th meeting of the Ethics and Finance Committee

Modified accreditation process for small entities

17. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to:

- (a) Approve the streamlined process as outlined in document AFB/EFC.16/7/Rev.1;
- (b) For any proposed streamlined accreditation, request the Accreditation Panel to recommend the appropriate monetary limit and describe the compensatory measures applied for the national implementing entity; and
- (c) Revisit the streamlined process at the 28th Board meeting.

(Decision B.25/17)

*Financial issues**(a) Guidelines for the monetization of carbon assets*

18. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to approve the Carbon Assets Monetization Program Guidelines (Document AFB/EFC.16/3).

(Decision B.25/18)

(b) Work plan for the fiscal year 2016

19. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to approve the work programme and the tentative work schedule contained in document AFB/EFC.16/5.

(Decision B.25/19)

(c) Board and secretariat, and trustee budgets for the fiscal year 2016

20. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to approve, from the resources available in the Adaptation Fund Trust Fund:

- a) The proposed budget of US\$ 4,049,165 to cover the costs of the operations of the Board and secretariat over the period 1 July 2015 to 30 June 2016, comprising US\$ 2,824,165 for the secretariat administrative services (the main secretariat budget), US\$ 200,000 for the overall evaluation (Phase II), US\$ 460,000 for accreditation services and US\$ 565,000 for the readiness programme (Phase II); and
- b) The proposed budget of US\$ 669,000 for trustee services to be provided to the Adaptation Fund over the period 1 July, 2015 to 30 June 2016.

(Decision B.25/20)

*Other Matters**(a) Gender policy for the Fund*

21. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to request the secretariat to prepare a compilation and analysis of any of the Fund's gender-related policies and procedures in order to inform the seventeenth meeting of the EFC.

(Decision B.25/21)

(c) Material changes in the budget allocation for the project in Maldives (UNDP)

22. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to:

- a) Request UNDP to provide the secretariat with the necessary information on the budget breakdown in order for the secretariat to conduct a full review of the revised project;

- b) Request the Project and Programme Review Committee to review, intersessionally between the twenty-fifth and twenty-sixth meetings of the Board, the changes made to the project design and their impact in achievement of the project results;
- c) Revert to the EFC with regard to the proposed changes in the budget with a view to making a decision at the twenty-sixth meeting of the Board; and
- d) Request the secretariat to communicate to UNDP that the Board expects that during the project design phase implementing entities will give due consideration to all the factors that may impact the project design and budget.

(Decision B.25/22)

(c) *Amendment to PPR template*

23. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to:

- a) Send a letter to the accredited implementing entities currently implementing projects/programmes requesting them to inform the secretariat of any investment income generated from the Fund's grant; thus far; and present it to the EFC broken down by implementing entity type (MIE/RIE/NIE) at its seventeenth meeting for further consideration;
- b) Present, for consideration by the Board during the intersessional period, an amended project performance report (PPR) template that would allow implementing entities to report on the investment income generated by the project grant on an annual basis.

(Decision B.25/23)

(d) *Report on project/programme implementation: Eritrea*

24. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to:

- a) Approve the third tranche of funds requested by the United Nations Development Programme (UNDP) for the implementation of the project Climate Change Adaptation Programme in Water and Agriculture in Anseba Region in the amount of US\$ 2,124,702;
- b) Request the trustee to transfer to UNDP US\$ 2,124,702 as agreed to in the disbursement schedule included in the project agreement.

(Decision B.25/24)

(e) *Report on project/programme implementation: Nicaragua*

25. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to:

- a) Approve the fourth and last tranche of funds requested by the United Nations Development Programme (UNDP) for the implementation of the project Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed, Nicaragua, in the amount of US\$ 362,595;
- b) Request the trustee to transfer to UNDP US\$ 362,595 as agreed to in the disbursement schedule included in the project agreement.

(Decision B.25/25)

Agenda Item 9: Issues remaining from the 24th Board meeting

Strategic discussion on objectives and further steps of the Fund: Potential linkages between the Fund and the Green Climate Fund

26. The Adaptation Fund Board decided to request:

- (a) The Chair and Vice-Chair, based on decision B.24-25/9 and discussions at the twenty-fifth meeting of the Adaptation Fund Board, to initiate consultations with the Standing Committee on Finance and start a dialogue with the Green Climate Fund (GCF) Board, on potential linkages between the two funds and request the issue of complementarity between the two funds to be considered by the GCF Board at the earliest;
- (b) The secretariat, in consultation with the trustee, as appropriate, to prepare a document for consideration by the Board at its 26th meeting containing further legal, operational, and financial analysis on the implications of various linkages with the GCF;
- (c) The secretariat to discuss with the secretariat of the GCF concrete activities to initiate collaboration, including but not limited to the following areas:
 - (i) Readiness support, including by organizing joint activities such as workshops or seminars in regions;
 - (ii) Results Based Framework;
 - (iii) Accreditation;
 - (iv) Project/programme identification; and
- (d) Request the Chair and the secretariat, report to the Board at its twenty-sixth meeting on the progress made in points above in sub-paragraphs 1 to 3.

(Decision B.25/26)

Implementation of the readiness programme

27. The Adaptation Fund Board decided to approve Phase II of the readiness programme, as outlined in document AFB/B.25/5, with a total funding of US\$ 965,000, including funding of US\$ 565,000 to be transferred to the secretariat's budget and funding of US\$ 400,000 to be set aside for small grants to National Implementing Entities from resources of the Adaptation Fund trust fund.

(Decision B.25/27)

Issues related to regional projects/programmes

28. The Adaptation Fund Board decided to:

- (a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;
- (b) Set a cap of US\$ 30 million for the programme;
- (c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and
- (d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.

(Decision B.25/28)

Agenda Item 10: Issues arising from the twentieth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 20) and the tenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 10)

29. The Adaptation Fund Board decided to request the secretariat to take decisions 1/CMP.10 and 2/CMP.10 into account when preparing the Adaptation Fund's report to the eleventh meeting of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 11); the report will be approved by the Adaptation Fund Board intersessionally.

(Decision B.25/29)