



ADAPTATION FUND

AFB/B.12/3
December 2, 2010

Adaptation Fund Board
Twelfth Meeting
Cancun, 14-15, 2010

Agenda item 4.

REPORT ON ACTIVITIES OF THE SECRETARIAT

I. BACKGROUND

1. This report lists the activities undertaken by the Adaptation Fund Board secretariat during the period of September-November, 2010, between the eleventh and the twelfth meetings of the Board.

II. FINALIZATION AND POSTING OF THE REPORT OF THE ELEVENTH BOARD MEETING

2. Following the eleventh meeting of the Adaptation Fund Board held in Bonn on September 16-17, 2010, the secretariat supported the Chair in finalizing the report of the meeting, summarizing its discussions and decisions. As agreed by the Board, the report was completed and circulated to Board members and alternates for comments and approval. The Board agreed to the report, and it has been posted on the website of the Adaptation Fund as document AFB/B.11/9.

III. PREPARATIONS FOR THE TWELFTH BOARD MEETING

Meeting Arrangements

3. The secretariat concluded its discussions with the Ministry of Foreign Affairs of Mexico for the hosting of the present meeting. The exchange of letters between the Board Chair and the Under Secretary of Foreign Affairs and Human Rights of the Government of Mexico was signed in Mexico City, on November 5, 2010 in the margins of the Pre-COP Ministerial Meeting. Prior to the signature of the exchange of letters, the secretariat consulted with the legal advisor of the UNFCCC on the privileges and immunities to be granted to the Board members and other participants before agreeing to the final text.

4. The secretariat issued letters of invitation to the Board members and alternates, and facilitated visa arrangements with the assistance of the Ministry of Foreign Affairs of Mexico. The secretariat is grateful to the Government of Mexico and to the *Universidad del Caribe* for hosting and providing essential logistical support to the twelfth meeting of the Board, the first the Board holds outside of Germany.

Meeting documents

5. The secretariat, working closely with the Chair and the trustee, prepared the documents for the twelfth Board meeting and for the third meetings of the Project and Programme Review Committee (PPRC), and of the Ethics and Finance Committee (EFC).

6. Since the discussion on the relevant agenda item did not conclude, the document AFB/B.12/5, *Initial funding priorities* has been redrafted for this meeting taking into account comments made by Board members at the eleventh meeting.

7. The documents for the PPRC meeting comprise document AFB/PPRC.3/3 *Report by the Secretariat on initial screening/technical review of the project and programme proposals*, which outlines the screening/technical review process undertaken by the secretariat and draws to the attention of the PPRC some issues identified during this process that the PPRC may want to consider. Further, 15 project documents with their corresponding technical reviews have been prepared:

AFB/PPRC.3/4 Proposal for Cook Islands
AFB/PPRC.3/5 Proposal for Ecuador
AFB/PPRC.3/6 Proposal for El Salvador
AFB/PPRC.3/7 Proposal for Eritrea
AFB/PPRC.3/8 Proposal for Fiji
AFB/PPRC.3/9 Proposal for Georgia
AFB/PPRC.3/10 Proposal for India
AFB/PPRC.3/11 Proposal for Maldives
AFB/PPRC.3/12 Proposal for Mauritius
AFB/PPRC.3/13 Proposal for Nicaragua
AFB/PPRC.3/14 Proposal for Pakistan
AFB/PPRC.3/15 Proposal for Papua New Guinea
AFB/PPRC.3/16 Proposal for Solomon Islands
AFB/PPRC.3/17 Proposal for Tanzania
AFB/PPRC.3/18 Proposal for Turkmenistan

8. Among the documents related to the EFC meeting, the document AFB/EFC.3/3, Project level results framework and baseline guidance document, is a revised version of document AFB/EFC.2/3 which incorporates guidance received from the Board at the eleventh meeting, following decision B.11/12. The document AFB/EFC.3/4, Project performance report guidance document to project performance report template, has been prepared by the secretariat following the request of decision B.11/12 paragraph a). Document AFB/EFC.3/5 Funding for project formulation costs responds to decision B.11/18, where the Board requested to the secretariat to reformulate document AFB/B.11/6.

9. Other documents prepared for consideration by the EFC at its third meeting include:

(i) AFB/EFC.3/6, Draft standard legal contract between the Board and the implementing entities (see paragraph 17);

(ii) AFB/EFC.3/7 Review of the operational policies and guidelines. Identification of the amendments needed;

(iii) AFB/EFC.3/8, Financial status of the Adaptation Fund Trust Fund and the Administrative Trust Fund, prepared by the trustee.

10. Documents for the twelfth meeting also include the usual information documents such as Board Members and Alternates; Background of the Adaptation Fund; the List of accredited observers, as requested by the Board at its fifth meeting; and the power-point Presentation on CER monetization by the trustee.

IV. MEMBERSHIP OF THE BOARD

11. Following the resignations of the alternate members Mr. William Kojo Agyemang-Bonsu (Ghana, non-Annex I) and Mr. Elsayed Sabry Mansour (Egypt, African Group), the secretariat circulated a draft intersessional decision for the Board to appoint their replacements: Ms. Sally Biney (Ghana, non-Annex I Parties) and Mr. Ezzat Lewis Agaiby (Egypt, African Group). The intersessional decision was adopted on October 25, 2010.

V. LEGAL CAPACITY OF THE BOARD

12. The secretariat assisted the Board Chair and Vice-chair in their discussions with the German government about the Memorandum of Understanding to confer legal capacity to the Board that the Government of Germany presented. As of the date of issuance of the present report, the Memorandum of Understanding was scheduled to be signed in Cancun, during CMP 6.

VI. DECISIONS ADOPTED BY THE BOARD AT ITS ELEVENTH MEETING

Communication of Board decisions on accreditation and project proposals

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

Ceremony for the signature of the memorandum of understanding between the Board and CSE (Senegal)

14. As per decision B.11/4, the secretariat made arrangements for a signing ceremony of the MOU on the approved project “*Adaptation to Coastal Erosion in Vulnerable Areas*”, to be implemented by the *Centre de Suivi Ecologique* (CSE) of Senegal. The ceremony took place at the World Bank premises in Washington DC, on November 11, 2010.

Memorandum of understanding on the project approved for Honduras

15. The secretariat prepared a draft MOU on the approved project “*Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor*”, to be implemented by UNDP, and sent the draft MOU to UNDP.

Draft standard legal agreement between the Board and implementing entities

16. As requested per decision AFB.11/14, the secretariat hired an independent legal counsel to draft the standard legal agreement that will replace the current MOU once the Board gets its legal capacity. Previously, the secretariat had requested comments from the accredited implementing entities. The consultant prepared the requested instrument taking into account the comments received and circulated the draft among the entities for information.

Report of the Board to the CMP

17. The secretariat assisted the Chair in finalizing the report to be presented to the CMP at its sixth session, as mandated by the Board. The document has been published by the UNFCCC secretariat as FCCC/KP/CMP/2010/7.

Communications strategy

18. The secretariat hired a consulting firm to implement the communications strategy approved by the Board (decision B.11/21). The secretariat organized a meeting with the Board Chair and the consultants in the margins of the PPCR meeting in Washington DC on November 11, 2010 to discuss the steps ahead.

19. Further, the secretariat made arrangements for an hour dialogue between the Board and civil society representatives prior to the closure of the current meeting.

Disbursement schedules for the projects approved for funding

20. The secretariat requested the implementing entities whose project proposals had been approved for funding, to provide a schedule and milestones for the disbursement of funds. The schedule received from CSE for Senegal was circulated among the Board members prior to the signature of the MOU.

VII. SUPPORT TO THE ACCREDITATION PANEL

21. The secretariat continued screening applications for accreditations from Parties and multilateral organizations and development banks. As of the date of issuance of the present document and after the last Board meeting, the secretariat received new requests for accreditation from one regional organization and one multilateral organization. Five accreditation applications from national organizations received before or during the last Board meeting, and one from a multilateral organization were forwarded to the Panel for review. The secretariat requested applicants whose applications were not complete and were thus not forwarded to the Panel, to complete the information and supporting documentation. Since the inception of the accreditation process the secretariat has screened applications from 12 non-Annex I Parties, two from regional organizations and 9 from multilateral organizations and development banks. The Panel has so far reviewed 15 applications, nine from non-Annex I Parties and eight from multilateral organizations and development banks. This information will be updated orally during the presentation of this report.

22. The secretariat worked closely with the Panel Chair and Vice-Chair and assisted the Panel in its discussions. The fourth Panel meeting and one teleconference were organized during the reporting period. The secretariat also assisted the Panel in finalizing its report.

23. Further, as mandated by decision B.11/13, the secretariat hired a consultant who started working in the production of communications material in close collaboration with the Accreditation Panel members. Among these materials, a demo version of the toolkit on accreditation was scheduled to be presented during the side-event to take place on December 3, 2010 during CMP 6.

VIII. SCREENING/TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSALS

24. The secretariat screened and prepared technical reviews of the 16 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.

IX. WORK PROGRAMME TO PROMOTE THE ACCREDITATION PROCESS OF NIE

25. As mandated by the Board in its decision B.10/19, a side-event to raise awareness on the accreditation process and project cycle was held on October 5, 2010, in the UNFCCC Climate Change Conference (14th session of AWG-KP and 12th session of AWG-LCA) in Tianjin, China. The Adaptation Officer attended the sessions in order to assist the Board in the organization of the side-event.

26. Further, the secretariat made arrangements for hosting a side-event on December 3, 2010, at 1:20 PM, in the margins of CMP 6.

X. ADAPTATION FUND DATABASE

27. The consultant hired by the secretariat is finalizing the design of the independent Adaptation Fund project and programme database. The secretariat will present the work done so far to the Board.

XI. FIDUCIARY RISK ASSESSMENT REQUESTED BY DFID

28. Upon request of the Department for International Development of the UK (DFID), the Manager of the secretariat, the Adaptation Officer, one of the Accreditation Panel experts and GEF secretariat staff supporting the secretariat, met with a consultant hired by DFID to perform a fiduciary risk assessment of the Fund on November 12, 2010. They answered questions and provided information on the accreditation process of NIEs and the project cycle, among other issues.

XII. PARTICIPATION IN THE 29th SESSION OF THE GEF COUNCIL

29. The Manager of the secretariat presented a report on the outcome of the last Board meeting to the 29th session of the GEF Council. She also made a presentation on the Adaptation Fund at a round table organized by the civil society organizations in the margins of the GEF Council meeting.

XIII. STAFFING

30. An Adaptation Officer and an Adaptation Associate have been recruited and started working at the secretariat over the course of November, 2010.