



ADAPTATION FUND

AFB/B.24/6
17 October 2014

ADAPTATION FUND BOARD

Twenty-fourth Meeting
Bonn, Germany, 9-10 October, 2014

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

Agenda Item 5: Report of the sixteenth meeting of the Accreditation Panel

Non-Accreditation of Regional Implementing Entity (RIE007)

1. After considering the conclusions and recommendation of the Accreditation Panel, the Adaptation Fund Board decided to:

- (a) Adopt the recommendation of the Accreditation Panel; and
- (b) Request the secretariat to communicate the observations of the Accreditation Panel as contained in Annex I to the report of the seventeenth meeting of the Accreditation Panel (AFB/B.24/4).

(Decision B.24/1)

Agenda Item 6: Report of 15th meeting of the Project and Programme Review Committee

Report of the secretariat on the intersessional review cycle

2. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to make its best efforts to publicize the possibility to comment on the project/programme proposals submitted to the Adaptation Fund.

(Decision B.24/2)

Concept Proposals from National Implementing Entities

Chile – Enhancing resilience to climate change of the small agriculture in the Chilean region of O’Higgins (Project Concept; Agencia de Cooperación Internacional de Chile (AGCI); CHL/NIE/Agri/2013/1; US\$ 9,960,000)

3. 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 the *Agencia de Cooperación Internacional de Chile* (AGCI) to the request made by the technical review;
- (b) Request the secretariat to transmit to AGCI the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
 - (i) The fully-developed project document should clarify the plans to maintain the agricultural machinery during and after the project, including finance, support from the government, ownership, service life, and necessary training, and the plans to scale up acquisition of such machinery after the project, including dissemination of information on use of such machinery for adaptation;
 - (ii) The fully-developed project document should explain how the success of zero tillage activities would be monitored, and how lessons from them would be shared within the country and with other countries;
 - (iii) The fully-developed project document should explain how the planned overseas study tours would enable learning by farmers;
 - (iv) The fully-developed project document should explain with which kind of process and indicators the project would monitor how it would meet the stated target of avoiding rural exodus, taking into account gender considerations;
 - (v) The fully-developed project document should explain how it would ensure synergies with the other relevant government programmes;
- (c) Approve the Project Formulation Grant of US\$ 30,000; and
- (d) Encourage the Government of Chile to submit through AGCI a fully-developed project proposal that would address the observations under sub-paragraph (b).

(Decision B.24/3)

Mexico – Local and Comprehensive Adaptation Measures to Address Climate Change in Two Sub-Basins of Guanajuato, Mexico (Project Concept; Mexican Institute of Water Technology (IMTA); MEX/NIE/Rural/2014/1; US\$ 8,630,000)

4. 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 Mexican Institute of Water Technology (IMTA) to the request made by the technical review;
- (b) Suggest that IMTA 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 more contextual information on the economy, livelihoods and non-climatic challenges of the target region, as well as more specific information (e.g. duration, financier and budget) on past climate change adaptation interventions;
 - (ii) The proposal should justify the requested financing based on the full cost of adaptation reasoning, reconsidering, if necessary, the number of municipalities to be included in the project, and elaborating on the needs, gaps and obstacles that would be addressed by the proposed activities to develop government agencies' capacity and coordination, rainwater harvesting, water treatment schemes and home gardens, and explaining how the longer-term sustainability of project activities would be ensured;
 - (iii) The proposal should explain how land-use planning at the catchment scale is taken into account in the design of the project activities, and consider including relevant activities that would also tackle challenges related to drivers of land-use change;
 - (iv) The proposal should clearly set its output targets, and distinguish between regular project monitoring and its specific activities to improve environmental monitoring;
 - (v) The proposal should explain how the proposed activities would be compliant with applicable technical standards and consistent with the goals of the identified climate change related strategies and policies, also identifying relevant sector policies and strategies e.g. in agriculture and water resources management;
 - (vi) The proposal should explain how the project would avoid duplication with any potentially overlapping projects/programmes, and how it would ensure complementarity with them;
 - (vii) The proposal should use the screening matrix to illustrate potential environmental and social impacts and risks, and categorize the project in terms of the level of the potential risk as explained in the Adaptation Fund Environmental and Social Policy; and
- (c) Request IMTA to transmit the observations referred to in item (b) above to the Government of Mexico.

(Decision B.24/4)

Concept Proposals from Regional Implementing Entities (RIEs)

Burkina Faso – Increasing the adaptation capacity of farmers in the Sahel zone through enhanced management of rain water and sustainable climate smart agricultural production (Project Concept; Sahara and Sahel Observatory (OSS); BFA/RIE/Agri/2014/1; US\$ 5,947,503)

5. 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 Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) Suggest that OSS 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 proponents should clarify which portion of the 1,800 hectares of grove perimeter to be developed is new or existing. It is not clear if the 1,800 hectares are additional to the existing grove perimeters in the farms of Guiè, Filly and Goèma which coincidentally cover the same surface (600, 480 and 360 hectares, respectively);
 - (ii) Although the focus of the project is in increasing agricultural production, the proposal should consider the use of plants with increased water use efficiency and heat tolerance as additional adaptation options;
 - (iii) The cost of the grove perimeters covering 1,800 hectares which in the proposal is estimated at US\$ 1,970,000 should be justified. The document estimates the costs for establishing a grove perimeter is 500 euros per hectare, and the total target area is 1,800 hectares, which would cost 900,000 euros and therefore the discrepancy needs to be explained;
 - (iv) The consultation process should be described in more detail, including information on the number and category of stakeholders consulted during project identification;
 - (v) The learning and knowledge management component(s) should be strengthened in order to better capture and feedback lessons, at local and national levels, and among the relevant stakeholders, including local and national sectoral government departments, NGOs, universities, local communities and the private sector;
 - (vi) The proposal should explain how the proposed project differs from business as usual agricultural projects and how its efforts to increase resilience to climate risks complement relevant national and regional programmes implemented in Burkina Faso, including through existing government, multilateral, bilateral, municipal and NGO efforts in the agricultural sector. For example, the adaptation reasoning of the development of 45 km of roads aiming at improving access to markets and the link to national and local programmes, is not demonstrated;

- (vii) The proposal should explain the role of the state government, if any, particularly to ensure proper scaling up of the project's outcomes;
- (viii) The proposal should also explain how the environmental monitoring observatories will be created, how they are relevant to related sector plans and which institution will be involved in managing them. Lastly, it should explain the relevance of the observatories and meteorological stations to the project's objectives; and
- (c) Request OSS to transmit the observations referred to in item (b) above to the Government of Burkina Faso.

(Decision B.24/5)

Fully-developed Proposals from National Implementing Entities

Small-size proposals:

India – Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Coastal/2014/1; US\$ 689,264)

6. 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\$ 689,264 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. 24/6)

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\$ 981,052)

7. 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) The project should include at least one core output indicator from the Fund's results framework;
 - (ii) The project should elaborate on the marketing arrangements for the supported produce and demonstrate their sustainability;
 - (iii) The project should improve the cost-effectiveness analysis;
 - (iv) The project should reflect in its design the views of vulnerable groups. To this effect, the proposal should consider undertaking further consultation with all relevant stakeholder groups;
 - (v) The project should reconsider its finding that environmental and social risks as defined in the Adaptation Fund Environmental and Social Policy (ESP) are absent and prepare, if required, an Environmental and Social Management Plan (ESMP) commensurate with the risks identified and in accordance with the project ESP categorisation;
 - (vi) The proposal should report the proposed components and activities consistently throughout the document and ensure that the budget provided aligns with the proposed activities;
 - (vii) The proposal should describe in greater detail how synergies are sought with national initiatives such as the Mahatma Gandhi National Rural Employment Guarantee scheme as well as initiatives funded by multilateral and bilateral donors;
 - (viii) The proposal should provide further detail on how the financial sustainability of project outcomes will be ensured beyond the project duration, including how government departments will be engaged in replicating successful initiatives, the potential sources of funding for doing so, and whether a role for sub-national institutions is envisaged in project execution; and
- (c) Request NABARD to transmit the observations under item (b) to the Government of India.

(Decision B.24/7)

Regular-size proposals:

Costa Rica – Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors. (Fully-developed Programme Document; Fundecooperación para el Desarrollo Sostenible; CRI/NIE/Multi/2013/1; US\$ 9,970,000)

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

- (a) Approve the programme document as supplemented by the clarification response provided by *Fundecooperación para el Desarrollo Sostenible* (Fundecooperación) to the request made by the technical review;

- (b) Approve the funding of US\$ 9,970,000 for the implementation of the programme, as requested by Fundecooperación; and
- (c) Request the secretariat to draft an agreement with Fundecooperación as the National Implementing Entity for the programme.

(Decision B. 24/8)

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)

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) The conceptual changes and clarifications provided in the Response Sheet should be applied consistently to the entire project document;
 - (ii) The feasibility of the aquaculture activities with small marginalized farmers should be demonstrated, in particular with respect to farmers' ability to form effective associations and the availability of credit;
 - (iii) The proposal should consider elaborating on the required association of beneficiary farmers and clarify the arrangements within these groups as well as strengthen their capacity to effectively culture fish as a group;
 - (iv) The proposal should assess the project risks against the Environmental and Social Policy principles, in particular with respect to Access and Equity, Marginalized and Vulnerable Groups, Gender Equity and Women's Empowerment, Core Labour Rights, Conservation of Biological Diversity and Public Health. An assessment and an Environmental and Social Management Plan (ESMP) should be prepared, commensurate with the identified risks; and
- (c) Request NABARD to transmit the observations under item (b) to the Government of India.

(Decision B.24/9)

India – Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Agri/2014/1; US\$ 2,510,854)

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\$ 2,510,854 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. 24/10)

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)

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 Ministry of Planning and International Cooperation (MOPIC) to the request made by the technical review;
- (b) Suggest that MOPIC reformulates 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 a general observation, the proposal should be more concise and structured; as an example among others, the section on consistency with the national development strategies could be limited to strictly demonstrate consistency with national plans and strategies with the relevant information;
 - (ii) The demonstration of cost effectiveness should be improved through providing the costs of alternatives to the proposed programme activities, including but not limited to investment in large water retention/harvesting infrastructures, cost of fresh water for irrigation versus treated waste water, alternative water resources and alternatives to permaculture;
 - (iii) Although a table on compliance with the environmental and social principles established by the Fund is provided, no potential impacts and risks or further assessment or mitigation measures were identified, including risks on public health and pollution as well as soil conservation. Also, several risks rated medium to very high were identified in other parts of the document, for which mitigation measures or procedures are not provided;

- (iv) The proposal should include an Environmental and Social Management Plan (ESMP), together with implementation arrangements and monitoring and evaluation (M&E) provisions, which will contain all the relevant elements. The ESMP is required for category B projects for which the proposed activities requiring environmental and social assessment do not represent a minor part of the project;
 - (v) The programme budget needs to be organized in a way to allow for an assessment of the costs based on the programme's expected outputs. In addition the proposal should include budget notes;
 - (vi) The proposal should justify the "development and preparation" budget under the implementing entity fees (US\$ 144,600), since a project Formulation Grant (PFG) was already provided to the NIE for programme preparation;
 - (vii) The proposal should include a programme results framework which should include programme outcome and output indicators, baseline and targets which would help in the achievement of the programme's objectives, including sex disaggregated data and at least one Adaptation Fund core outcome indicator; and
- (c) Request MOPIC to transmit the observations under item (b) to the Government of Jordan.

(Decision B.24/11)

Kenya: Integrated programme to build resilience to climate change and adaptive capacity of vulnerable communities in Kenya (Fully-developed Project Document; National Environmental Management Authority (NEMA); KEN/NIE/Multi/2013/1; US\$ 9,998,302)

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

- (a) Approve the programme document as supplemented by the clarification response provided by the National Environmental Management Authority (NEMA) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,998,302 for the implementation of the programme, as requested by NEMA;
- (c) Note the commitment of NEMA to develop an Environmental and Social Management Framework (ESMF) for the programme and to conduct Environmental Impact Assessments (EIAs) for all programme activities for which such EIAs are required pursuant the Environmental and Social Policy of the Adaptation Fund, before any substantial construction, subject to such EIAs, begins;
- (d) Request the secretariat to draft an agreement with NEMA as the National Implementing Entity for the programme that includes:
 - (i) The requirement that any environmental and social risks identified by the EIAs will be addressed by NEMA in an adequate and timely manner through a management plan or changes in the programme design, and will include a timeline for the implementation by all EIAs and the ESMF consistent with the Environmental and

Social Policy of the Adaptation Fund prior to any substantial construction, subject to such EIAs; and

- (ii) The requirement that NEMA prepare annual financial statements for the programme, which must be audited by the National Audit Office or another external auditor. The audited financial statements must be submitted within six months after the end of the financial year, as per Decision B.17/2.

(Decision B. 24/12)

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) Not 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) Suggest that ADA reformulates 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 include an Environmental and Social Management Plan (ESMP), together with implementation arrangements and monitoring and evaluation (M&E) provisions, which will contain elements on compliance with the Environmental and Social Policy, including risks associated with interfering in the existing hydrology of the area for the principles of natural habitats, biodiversity, heritage, land and soil. The ESMP is required for any category B projects for which some of the proposed activities require environmental and social assessment; and
- (c) Request ADA to transmit the observation under item (b) to the Government of Morocco.

(Decision B. 24/13)

South Africa – Building Resilience in the Greater uMngeni Catchment (Fully-developed Project Document; South African National Biodiversity Institute (SANBI); ZAF/NIE/Water/2013/1; US\$ 7,495,055)

14. 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 South African National Biodiversity Institute (SANBI) to the request made by the technical review;
- (b) Approve the funding of US\$ 7,495,055 for the implementation of the project, as requested by SANBI; and

- (c) Request the secretariat to draft an agreement with SANBI as the National Implementing Entity for the project.

(Decision B. 24/14)

South Africa: Taking adaptation to the ground: A Small Grants Facility for enabling local level responses to climate change (Fully-developed Project Document; South African National Biodiversity Institute (SANBI); ZAF/NIE/Multi/2013/2; US\$ 2,442,682)

15. 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 South African National Biodiversity Institute (SANBI) to the request made by the technical review;
- (b) Approve the funding of US\$ 2,442,682 for the implementation of the project, as requested by SANBI; and
- (c) Request the secretariat to draft an agreement with SANBI as the National Implementing Entity for the project.

(Decision B. 24/15)

Proposals for accreditation support

Burundi: (Ministry of Natural Resources of Rwanda (MINIRENA); US\$ 50,000)

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

- (a) Not approve the Application for a Grant to support NIE accreditation as requested by the government of Burundi through the Ministry of Natural Resources of Rwanda (MINIRENA);
- (b) Suggest that MINIRENA reformulates the proposal taking into account the following observations:
 - (i) The proposal needs to explain the steps that will be taken in the case where the identified potential candidate for NIE accreditation is assessed and subsequently found as not suitable;
 - (ii) As it is currently presented, the training activity for public servants is not relevant to the objective of supporting the accreditation process. This activity needs therefore to be either removed or justified;
 - (iii) The proposal needs to provide a separate budget table with a breaking down of the costs, including staff travel costs, consultant fees, communications, MINIRENA staff fees and a breakdown of workshop costs such as renting the venue, catering, facilitator fees;

- (c) Request MINIRENA to transmit the observations under item (b) to the Government of Burundi; and
- (d) Encourage the Government of Burundi to submit through MINIRENA a revised Application for a Grant to support NIE accreditation that would address the observations under item (b) above, for consideration by the Board intersessionally.

(Decision B. 24/16)

Cabo Verde: (Centre de Suivi Ecologique (CSE); US\$ 47,449)

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

- (a) Approve the Application for a Grant to support NIE accreditation as requested by the government of Cabo Verde through the *Centre de Suivi Ecologique (CSE)*;
- (b) Approve the funding of US\$ 47,449 for the implementation of the support, as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Decision B. 24/17)

Chad: (Centre de Suivi Ecologique (CSE) ; US\$ 49,592)

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

- (a) Approve the Application for a Grant to support NIE accreditation as requested by the government of Chad through the *Centre de Suivi Ecologique (CSE)*;
- (b) Approve the funding of US\$ 49,592 for the implementation of the support, as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Decision B. 24/18)

Niger: (Centre de Suivi Ecologique (CSE) ; US\$ 47,449)

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

- (a) Approve the Application for a Grant to support NIE accreditation as requested by the government of Niger through the *Centre de Suivi Ecologique (CSE)*;

- (b) Approve the funding of US\$ 47,449 for the implementation of the support, as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Decision B. 24/19)

Other matters

Improvement of the tracking of changes made between different versions of the proposals submitted to the PPRC

20. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat, in order to assist the committee in its review of the proposals, to present to the Project and Programme Review Committee, at its sixteenth meeting, options for:

- (a) Improving the tracking of changes made between different versions of project/programme proposals; and
- (b) Providing the committee with an explanation on how the proponents had responded to the observations of the Board.

(Decision B. 24/20)

Portfolio monitoring mission report

21. Having considered the comments of the Project and Programme Review Committee, the Adaptation Fund Board decided that the reports of portfolio monitoring missions would be considered by the Board as a whole.

(Decision B. 24/21)

Agenda Item 7: Report of 15th meeting of the Ethics and Finance Committee

Modified accreditation process for small entities

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

- (a) Welcome the progress made by the Accreditation Panel in developing and applying a streamlined accreditation process for small national implementing entities (SNIEs) to the two cases currently under review; and
- (b) Encourage the Accreditation Panel to:
 - (i) Finalize its work on the two cases mentioned above; and

- (ii) Present a standardized streamlined accreditation process for SNIEs for consideration by the Board at its 25th meeting.

(Decision B. 24/22)

Annual performance report for the fiscal year 2014

23. Having considered the comments and recommendations of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to approve the Adaptation Fund's Annual Performance Report FY 2014 contained in document AFB/EFC.15/3, stipulating that in the future an executive summary could also be prepared.

(Decision B. 24/23)

Zero tolerance policy for corruption and

Risk management framework

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

(a) Approve:

- (i) The proposed zero tolerance policy for corruption, as contained in Annex 4 to this report; and
- (ii) Amendments to paragraph 40 and 41 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund, as contained in Annex 5 to this report;

(b) Amend the code of conduct of the Board referencing the zero tolerance policy for corruption and including in its text "as amended from time to time";

(c) Request the secretariat to:

- (i) Provide Board members and Alternates with an updated text of the code of conduct and request that they sign a receipt of such updated code. The updated text of the code of conduct will be circulated together with the oath of service to new Board members and Alternates; and
- (ii) Revise the risk management framework, circulate it to the Board for intersessional approval and publish it on the Fund website.

(Decision B. 24/24)

Complaint handling mechanism

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

- (a) Note the recommendations by the Accreditation Panel to:
 - (i) Suspend the accreditation of the implementing entity;
 - (ii) Provide the implementing entity the opportunity to take the necessary corrective actions as well as to ensure that information requested from the Inspector General of the Ministry of Environment is provided to the Accreditation Panel within a reasonable deadline not to exceed 60 days;
- (b) Note the information provided by the implementing entity concerning the submission of the audited accounts of the project formulation grant by end of October 2014; and
- (c) Before further action is taken to suspend the implementing entity's accreditation status as a national implementing entity, request the secretariat to inform the implementing entity of the outcome of the review and that it will be provided with a fair chance and opportunity to present its views to the Board, pursuant to paragraph 39 of the Operational Policies and Guidelines, version November 2013, attached to the Project Formulation Grant agreement with the implementing entity, and make the necessary arrangements for the implementing entity's presentation.

(Decision B.24/25)

Financial issues

Presentation by the UNFCCC secretariat

26. Having considered the comments and recommendations of the Ethics and Finance Committee (EFC), and the request of the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) to purchase Adaptation Fund Certified Emissions Reductions (CERs) the Adaptation Fund Board decided to:

- (a) Approve such sales on the terms as recommended by the EFC; and
- (b) Request the trustee to coordinate with the UNFCCC secretariat to analyze the potential benefits and costs of the Adaptation Fund CERs being offered on the on-line public CER website being developed by the UNFCCC, and report the findings to the EFC intersessionally.

(Decision B. 24/26)

Other matters

Report on project/programme implementation: UNDP (Georgia)

27. Having considered the comments and recommendations of the Ethics and Finance Committee, 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 Developing Climate Resilient

Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia in the amount of US\$ 1,495,951; and

- (b) Request the trustee to transfer to UNDP US\$ 1,495,951 as agreed to in the disbursement schedule included in the project agreement.

(Decision B.24/27)

Agenda Item 8: Issues remaining from the 23rd Board meeting

Strategic discussion on objectives and further steps of the Fund

28. The Adaptation Fund Board noted with appreciation the report of the Fundraising Task Force and decided to:

- (a) Rename the fundraising task-force as the resource mobilization task-force in order to convey the idea of a continuous activity;
- (b) Request the secretariat to:
 - (i) Prepare a summary document of the fundraising strategy that could be made public; and
 - (ii) Develop material for the Conference of the Parties, including the ability to easily download key documents from the Adaptation Fund website.

(Decision B.24/28)

Second review of the Fund

29. The Adaptation Fund Board decided to:

- (a) Request the secretariat to prepare a document containing elements on potential linkages with the Green Climate Fund for consideration by the Board during the intersessional period; and
- (b) Pursuant to Decision 2/CMP.9, submit the views of the Board members to the tenth session of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP10) which are contained in Annex VI to the present report.

(Decision B.24/29)

Agenda Item 11: Issues related to regional projects/programmes

30. Following a discussion the Adaptation Fund Board decided:

- (a) To initiate steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million;

- (b) That the pilot programme on regional projects and programmes will be outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap;
- (c) That regional implementing entities (RIEs) and MIEs that partner with national implementing entities (NIEs) or other national institutions would be eligible for this pilot programme, and
- (d) To request the secretariat to prepare for the consideration of the Board, before the twenty-fifth meeting of the Board or intersessionally, under the guidance of the working group set up under decision B.17/20, a proposal for such a pilot programme based on consultations with contributors, MIEs, RIEs, the Adaptation Committee, the Climate Technology Centre and Network (CTCN), the Least Developed Countries Expert Group (LEG), and other relevant bodies, as appropriate, and in that proposal make a recommendation on possible options on approaches, procedures and priority areas for the implementation of the pilot programme.

(Decision B.24/30)

Agenda Item 13: Election of the Board, PPRC, EFC and Accreditation Panel Chairs and Vice-Chairs

31. Following a discussion the Adaptation Fund Board decided to:

- (a) Elect:
 - (i) Ms. Yuka Greiler (Switzerland, Western Europe and other States) as Chair of the Project and Programme Review Committee;
 - (ii) Ms. Laura Hanning Scarborough (Eastern Europe) as Vice-Chair of the Ethics and Finance Committee;
 - (iii) Ms. Irina Pineda Aguilar (Honduras, Latin America and Caribbean States) as Chair of the Ethics and Finance Committee;
 - (iv) Mr. Philip S. Weech (Bahamas, Latin America and Caribbean States) as Chair of the Accreditation Panel;
 - (v) Ms. Ana Fornells de Frutos (Spain, Annex I Parties) as Vice-Chair of the Accreditation Panel;
- (b) Elect intersessionally a coordinator or coordinators of the resource mobilization task-force; and
- (c) Elect intersessionally, following the tenth session of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP10), the Chair and Vice-Chair of the Board, and the Vice-Chair of the Project and Programme Review Committee.

(Decision B.24/31)

Agenda Item 14: Dates and venues of meetings in 2015

32. Following the presentation by the Manager of the Adaptation Fund Board secretariat of possible meeting dates, the Adaptation Fund Board decided to tentatively:

- (a) Hold its twenty-fifth meeting from 7 to 10 April 2015 in Bonn, Germany;
- (b) Hold its twenty-sixth meeting from 6 to 9 October 2015 in Bonn, Germany;
- (c) Hold its twenty-seventh meeting from 15 to 18 March 2016 in Bonn, Germany; and
- (d) Hold its twenty-eighth meeting from 4 to 7 October 2016 in Bonn, Germany.

(Decision B.24/32)

ANNEX I

ATTENDANCE AT ADAPTATION FUND BOARD – TWENTY-THIRD MEETING		
MEMBERS		
Name	Country	Constituency
Mr. Yerima Peter Tarfa	Nigeria	Africa
Mr. Ezzat L.H. Agaigy	Egypt	Africa
Ms. Laura Hanning Scarborough	Lithuania	Eastern Europe
Mr. Valeriu Cazac	Moldova	Eastern Europe
Mr. Philip S. Weech	Bahamas	Latin America and the Caribbean
Mr. Emilio Luis Sempris Ceballos	Panama	Latin America and the Caribbean
Ms. Yuka Greiler	Switzerland	Western European and Others Group
Mr. Michael Jan Hendrik Kracht	Germany	Annex I Parties
Ms. Angela Churie-Kallhauge	Sweden	Annex I Parties
Mr. Boubacar Sidiki Dembele	Mali	Non-Annex I Parties
Ms. Margarita Caso Chávez	Mexico	Non-Annex I Parties
Mr. Mamadou Honadia	Burkina Faso	Least Developed Countries

ALTERNATES		
Name	Country	Constituency
Mr. Zaheer Fakir	South Africa	Africa
Mr. Monsurul Alam	Bangladesh	Asia-Pacific
Mr. Aram Ter-Zakaryan	Armenia	Eastern Europe
Ms. Medea Inashvili	Georgia	Eastern Europe
Ms. Irina Helena Pineda Aguilar	Honduras	Latin America and the Caribbean
Mr. Jeffery Spooner	Jamaica	Latin America and the Caribbean
Mr. Marc-Antoine Martin	France	Western European and Others Group
Mr. Markku Kanninen	Finland	Annex I Parties
Ms. Ana Fornells de Frutos	Spain	Annex I Parties
Ms. Patience Dampney	Ghana	Non-Annex I Parties
Ms. Wenhong Huang	China	Non-Annex I Parties
Mr. Adao Soares Barbosa	Timor Leste	Least Developed Countries
Mr. Paul Elreen Philip	Grenada	Small Island Developing States

ANNEX II

ADOPTED AGENDA OF THE TWENTY-FOURTH BOARD MEETING

1. Opening of the meeting
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Report on activities of the Chair.
4. Report on activities of the secretariat.
5. Report of the Accreditation Panel.
6. Report of the fifteenth meeting of the Project and Programme Review Committee (PPRC)
7. Report of the fifteenth meeting of the Ethics and Finance Committee (EFC)
8. Issues remaining from the 23rd meeting:
 - a) Strategic discussion on objectives and further steps of the Fund. Report of the fundraising task force;
 - b) Implementation of the readiness programme.
 - c) Second review of the Fund
9. Communications and outreach
10. Financial issues:
 - a) Financial status of the Trust Fund and CER monetization;
 - b) Status of the project/programme pipeline;
11. Issues related to regional projects and programmes
12. Dialogue with civil society organizations.
13. Election of the Board, PPRC, EFC and Accreditation Panel Chairs and Vice-Chairs
14. Date and venue of meetings in 2015.
15. Other matters
16. Adoption of the report.
17. Closure of the meeting

ANNEX III

FUNDING RECOMMENDATIONS BY THE FIFTEENTH MEETING OF THE PPRC

PPRC 15 Funding Recommendations October 9, 2014)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Set-aside Funds	Decision
1. Projects and Programmes:											
	India	NABARD	AFB/PPRC.15/8	635,266	53,998	689,264			8.5%	689,264	Approved
	India	NABARD	AFB/PPRC.15/9	904,552	76,500	981,052			8.5%		Not approved
	Costa Rica	Fundecooperacion	AFB/PPRC.15/10	9,220,000	750,000	9,970,000			8.1%	9,970,000	Approved
	India	NABARD	AFB/PPRC.15/11	1,650,700	139,800	1,790,500			8.5%		Not approved
	India	NABARD	AFB/PPRC.15/12	2,314,395	196,469	2,510,864			8.5%	2,510,864	Approved
	Jordan	MOPIC	AFB/PPRC.15/13	8,503,000	723,000	9,226,000			8.5%		Not approved
	Kenya	NEMA	AFB/PPRC.15/14	9,278,085	720,217	9,998,302			7.8%	9,998,302	Approved
	Morocco	ADA	AFB/PPRC.15/15	9,188,940	781,060	9,970,000			8.5%		Not approved
	South Africa	SANBI	AFB/PPRC.15/16	6,907,885	587,170	7,495,055			8.5%	7,495,055	Approved
	South Africa	SANBI	AFB/PPRC.15/17	2,251,320	191,362	2,442,682			8.5%	2,442,682	Approved
	Sub-total			50,854,143	4,219,576	55,073,719	0	0	8.3%	33,106,167	
2. Project Formulation											
	Chile	AGCI	AFB/PPRC.15/5/Add.1	30,000		30,000				30,000	Approved
	Mexico	IMTA	AFB/PPRC.15/6/Add.1	30,000		30,000				30,000	Not approved
	Sub-total			60,000		60,000				30,000	
3. Concepts:											
	Chile	AGCI	AFB/PPRC.15/5	9,460,000	500,000	9,960,000			5.3%		Endorsed
	Mexico	IMTA	AFB/PPRC.15/6	8,008,000	622,000	8,630,000			7.8%		Not endorsed
	Burkina Faso	OSS	AFB/PPRC.15/7	5,481,570	465,933		5,947,503		8.5%		Not endorsed
	Sub-total			22,949,570	1,587,933	18,590,000	5,947,503	0	6.9%	0	
4. Accreditation support:											
	Burundi	MINIRENA	AFB/PPRC.15/18	50,000	-	50,000					Not approved
	Cabo Verde	CSE	AFB/PPRC.15/19	47,449	-	47,449				47,449	Approved
	Chad	CSE	AFB/PPRC.15/20	49,592	-	49,592				49,592	Approved
	Niger	CSE	AFB/PPRC.15/21	47,449	-	47,449				47,449	Approved
	Sub-total			194,490	0	194,490				144,490	
5. Total (5 = 1 + 2 + 3 + 4)				74,058,203	5,807,509	73,918,209	5,947,503	0	7.8%	33,280,657	

ANNEX IV**PROPOSED ZERO TOLERANCE POLICY FOR THE BOARD**

1. The Adaptation Fund Board (the Board) puts in place requirements so that recipients use the Adaptation Fund's (the Fund) resources only for the purposes intended. The Fund's policy on fraud and corruption is one of zero tolerance. Fraud and corruption is against the Fund's policies, procedures, standards and resources and not be tolerated because it:

- Diverts vital resources from the most vulnerable groups;
- Breaches the Board's public service ethics and core values;
- Damages the Fund's reputation for sound financial management; and
- Challenges the Fund's "fitness for purpose" and credibility in the eyes of its stakeholders and International partners.

2. Board members and alternates refrain from condoning, supporting or otherwise failing to address fraudulent or corrupt behaviour that may affect the Fund's decision making process and operations, either by their peers or by anyone actually or potentially involved in the Fund's operations.

3. Board members and alternates report to the Ethics and Finance Committee (EFC) Chair or Vice-Chair any information of fraud and corruption that may affect the Fund's decision-making process and operations. If the information relates to the EFC Chair or Vice-Chair, Board members and alternates report such information to the Board Chair or Vice-Chair, as appropriate. Any information relating to fraud and corruption is placed on the next EFC agenda for discussion. A fair chance to present its case to the EFC will be given to any Board member or Alternate member about whom a complaint has been raised. The EFC makes a recommendation to the Board for approval. Any recommendation is based on the evidence before the EFC.

4. The Board utilizes the appropriate channels available to pursue fraud and corruption, including the procedure for termination of Board membership outlined in paragraphs 52 to 54 of the rules of procedure of the Adaptation Fund Board.

ANNEX V

PROPOSED AMENDMENTS TO THE OPERATIONAL POLICIES AND GUIDELINES (OPG)

40. The Board may consider suspending or cancelling the accreditation of an implementing entity for reasons that include, but are not limited to:

- (a) Misrepresentation or intentionally false information provided to the Board;
- (b) Substantive changes made by the IEF to its fiduciary standards and/or capacity and/or commitment to comply with the environmental and social policy determined by a review in accordance with paragraph 38 above; or
- (c) Misuse of project/programme resources as determined by the EFC or by the implementing entity's investigative function.

41. A decision to suspend or cancel an IE accreditation may be made at the recommendation by the Ethics and Finance Committee following a review by the Accreditation Panel in accordance with paragraph 38. A decision to suspend includes the necessary corrective actions for achieving compliance by a certain date and identifying the relevant fiduciary standards and/or environmental and social policy requirements, which is reviewed by the Accreditation Panel and the EFC as appropriate. The Board makes the final decision on the removal of suspension for the implementing entity to resume its accreditation status. Before the Board makes its final decision on whether to suspend or cancel the accreditation of an implementing entity, the entity concerned is given a fair chance to present its views to the Board.

ANNEX VI

SECOND REVIEW OF THE ADAPTATION FUND

ADAPTATION FUND BOARD SUBMISSION

With reference to Decision 2/CMP.9 inviting the Board to submit its view on the second review of the Adaptation Fund (AF), based on the terms of reference annexed to the decision, the Adaptation Fund Board (Board) wishes to put forward the following submission:

In just a few short years, the AF has built a focused, effective, and transparent climate adaptation financing instrument that directly aids the most vulnerable communities in developing countries. It is the only climate adaptation fund that includes these vulnerable communities as a strategic priority. In addition to pioneering direct access, the AF is seeing preliminary results from its project portfolio including allocating US\$265 M specifically toward measures that increase ecosystem and human resilience in response to climate change and variability-induced stress, and increase adaptive capacity within relevant development and natural resource sectors. Examples of work in these areas include restoration of ecosystem services, development of early warning systems for households to respond to disaster risks, diversified livelihoods for vulnerable farmers, investments in coastal protection infrastructure, and increased access to irrigation water and production schemes (see infographic: <https://adaptation-fund.org/content/adaptation-fund-infographic> and Annual Performance Report FY14 <http://bit.ly/1sqCVWx>)

The Board has worked to keep the AF innovative and improve its systems, processes, and effectiveness. As the AF has matured, the Board has reduced its meetings from four times per year to twice per year, undertaking a greater portion of its work and decisions intersessionally. The Board has also worked to build more partnerships, including at its 24th Board meeting (October 2014) agreeing to partner with CTCN to link technical assistance with project financing from the AF. In addition, the Board launched a pilot programme on regional projects, not to exceed US\$30 M, to enable greater partnerships among RIEs, MIEs, NIEs, and other national institutions, including engaging other bodies under the Convention.

Through feedback from countries and the AF's experience with the accreditation process, the Board launched a readiness programme that promotes lessons learned and exchange of best practices about the full climate financing cycle, from accreditation to project design, proposal, and implementation. Through this, the Fund has established an engaged network of direct access practitioners, including civil society, that has fostered dialogue and greater collaboration, and contributed to increased coherence and streamlined approaches to climate finance readiness (see details <https://adaptation-fund.org/node/3944>).

The recent developments in the carbon market have resulted in the AF's primary revenue streams being significantly diminished (see Trustee Report: <http://bit.ly/ZSOX0f>). In light of the growing demand for support, which exceeds the present resources available and which is reflected in the pipeline of projects awaiting support, the Board has discussed, in its resource mobilization taskforce, the need to generate additional revenue to continue the AF's critical climate adaptation work in the most vulnerable developing countries and explore various options. The CMP may wish to consider and provide further guidance to the AF on resource mobilization.

During the past year the Board has, through its secretariat, engaged with other climate funds, including the GEF and the GCF, both in terms of sharing lessons from the AF and collaborating through the AF's readiness programme. It will continue this engagement, including with other funds such as the CIFs as well as with other financing institutions at the regional levels, including the private sector. With regards to the GCF, the CMP may wish to provide guidance on the AF's institutional linkages to the GCF.

Finally, the AF secretariat undertakes portfolio monitoring field visits of projects under implementation. Lessons learned from these visits are reflected in <http://bit.ly/1CZFi5S>; <http://bit.ly/1xw3b1X>; <http://bit.ly/1sizvF6>; The Board would like to extend an invitation to the interested Parties and stakeholders who may wish to join one of the AF's field visit to witness first-hand results on the ground being implemented with AF support.