



ADAPTATION FUND

AFB/B.25/8
12 June 2015

ADAPTATION FUND BOARD

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

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

Introduction

1. The twenty-fifth meeting of the Adaptation Fund Board (the Board) was held at the 'Langer Eugen' United Nations Campus, in Bonn, Germany, from 9 to 10 April 2015, back-to-back with the sixteenth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) of the Board.
2. The meeting was broadcast live through the websites of the Adaptation Fund (the Fund) and the United Nations Convention to Combat Desertification (UNCCD). The UNCCD also provided logistical and administrative support for the meetings of the Board and its committees.
3. The full list of the members and alternate members who participated at the meeting is attached as **Annex I** to the present report. A list of all accredited observers present at the meeting can be found on the Fund website in document AFB/B.25/Inf.2.

Agenda Item 1: Opening of the meeting

4. The meeting was opened at 9.10 a.m. on Wednesday, 9 April 2015, by the outgoing Chair, Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries).

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

5. Mr. Honadia handed over the Chairmanship to the incoming Chair, Mr. Hans Olav Ibrekk (Norway, Western European and Other States), who thanked Mr. Honadia for his service.
6. The Chair welcomed the following new participants on the Board: Members: Ms. Gabriela Popescu (Romania, Eastern Europe); Mr. Ahmed Waheed (Maldives, Asia); Ms. Fatuma Hussein (Kenya, Non-Annex I Countries); Ms. Tove Zetterström-Goldmann (Sweden, Annex I Countries); Alternates: Ms. Umayra Tagiyeva (Azerbaijan, Eastern Europe); Professor W. L. Sumathipala (Sri Lanka, Asia); Mr. Albara Tawfiq (Saudi Arabia, Asia); Mr. Naresh Sharma (Nepal, Least Developed Countries); and Mr. Samuela Lagataki (Fiji, Small Island Developing States).

7. The Chair called for nominations from the Parties for various open positions. 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) Ms. Fatuma Mohamed Hussein (Kenya, Non-Annex I Parties) as Co-coordinator 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 Dampney (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 3: Organizational matters

(a) *Adoption of the agenda*

8. The Board considered the provisional agenda contained in document AFB/B.25/1/Rev.1, as well as the provisional annotated agenda and provisional timetable contained in document AFB/B.25/2.

9. The Board adopted the agenda, which is contained in **Annex II** to the present report.

(b) *Organization of work*

10. The Board adopted the organization of work proposed by the Chair.

11. The following members and alternate members declared conflicts of interest:

- (a) Mr. Ahmed Waheed (Maldives, Asia);
- (b) Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe)
- (c) Mr. Emilio Sempris Ceballos (Panama, Latin America and the Caribbean); and
- (d) Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries).

Agenda Item 4: Report on activities of the outgoing Chair

12. The outgoing Chair said that during the intersessional period he had helped to finalize the report of the 24th meeting of the Board and had signed several agreements with implementing entities for 11 projects and programmes. He had also signed a project formulation grant for Chile and readiness grants for Burundi, Cabo Verde and Chad. He attended the COP 20 and CMP 10 where he had, together with the Manager of the secretariat, been interviewed by Climate Change

television, and had assisted in the dinner dialogue organized by the Heinrich Böll Foundation and the European Capacity Building Initiative (ECBI) and at a dialogue with donors chaired by the Ministers of the Environment for Sweden and Spain.

13. He had also attended the Eighth Conference on Community-based Adaptation (CBA8), held in Kathmandu, Nepal, 24-30 April 2014 and had requested one member to represent the Board at the Workshop on Integrating Climate and Forest Financing in Southeast Asia, held in Bangkok, Thailand from 23-25 March 2015 and another member to represent the Board at the IDFC Climate Finance Forum – Paris 2015 Sharing Solutions in Developing Countries, held in Paris, France on 31 March 2015.

14. During his tenure the Board had approved both its zero tolerance policy and the risk management framework of the Fund, and the readiness programme for climate finance had been launched. Two national implementing entities had been accredited as well as one regional implementing entity and one multilateral implementing entity. Ten adaptation projects and programmes had been approved and four South-South cooperation grants had been approved for Burundi, Cabo Verde, Chad and Niger.

15. The Board member who had attended the IDFC Climate Finance Forum – Paris 2015 Sharing Solutions in Developing Countries said the meeting had been organized by the International Development Finance Club (IDFC), a network of development banks that brought together public and private finance practitioners to foster climate action in developing countries and regions. The themes discussed were: the harmonization of climate finance tracking and reporting for transparency in climate finance, the greening or mainstreaming of climate change, and the mobilization of private investment and other sources of finance. The secretariat had assisted and provided him with talking points.

16. The Adaptation Fund Board took note of the report on the activities of the outgoing Chair.

Agenda Item 5: Report on the activities of the secretariat

17. The Manager of the secretariat reported on the activities of the secretariat during the intersessional period, more fully described in document AFB/B.25/3, highlighting two activities of particular importance. One of the major milestones was the completion of the programme in Senegal. She visited the sites with a member of the secretariat, and met Government ministers, parliamentarians, partners of the Senegalese government including the World Bank and the European Union, and many stakeholders, all of whom - said that the programme was a tremendous success. She emphasized that it was very gratifying to see the work of the Fund having a real impact on people's lives.

18. Her second main topic was the intersessional project review cycle, and a request to the Board to consider whether the rules in that area could be made more accommodating, with a view to speeding up the process. She summarized four specific ways to achieve that goal, and the Chair nominated a small working group to examine those four areas and report back to the Board later in the meeting. (See paragraph 22).

19. A new member of the secretariat staff, Mr. Hugo Remaury, who had joined as a Junior Professional Associate was introduced.

20. In response to questions about the recommendations for the upcoming Conference of the Parties in Paris, she said that the contributors' dialogue, co-chaired by the ministers of the environment of Spain and Sweden in the margins of the last Conference in Lima, sent a strong signal of support to the Fund by its main contributors. The event served as a major opportunity for discussions with contributors and recipients, who had demonstrated their keen interest. She suggested that the same approach should be taken at the COP in Paris, the more so as France recently made a contribution to the Adaptation Fund. She found valuable an informal discussion with the COP President, and emphasized that the secretariat will endeavour to create a similar opportunity in cooperation with the President of the COP21.

21. Noting that a high-level climate change event will be convened by the United Nations General Assembly on 29 June 2015, she referred to the ongoing discussions with the Ugandan Presidency team to secure participation of the Fund in the high-level event and called on African representatives in particular, to support this request.

22. 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 all first submissions of fully-developed project/programme documents under the one-step process continue to be considered in regular meetings of the Project and Programme Review Committee (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 intersessionally 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 as of the first day of 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

23. The Chair of the Accreditation Panel, Mr. Philip S. Weech (Bahamas, Group of Latin American and Caribbean Countries) introduced the report of the Panel's eighteenth meeting in Washington DC in January 2015, which is more fully described in document AFB/B.25/4/Rev.1. Two Panel experts had been newly added to the Panel: Mr. Graham Joscelyne, former Auditor-General of the World Bank; and Mr. Bert Keuppens, former Head of Internal Oversight service at UNESCO and former Head of Internal Audit and Inspection at the International Monetary Fund (IMF). These two experts would replace their predecessors of the Fund's outgoing experts, whose terms expire at the end of June 2015.

24. Five completed applications had been recently received: four from National Implementing Entity (NIE) candidates and one from a Regional Implementing Entity (RIE) candidate. In addition to the new applications, the Panel had reviewed three re-accreditation applications. The Panel had continued its review of the applications of four National Implementing Entity (NIE) candidates, two Regional Implementing Entity (RIE) candidate, and one Multilateral Implementing Entity (MIE) candidate that had been previously reviewed but been requested to provide additional information for the Panel to make its recommendations. By the time of the finalization of the Panel's report, the Panel concluded the review of two applications, including one through the Streamlined Accreditation Process (AFB/EFC.16/7). The conclusion of the second application was subject to the approval of the streamlined process by the Board (see paragraph 53 below).

25. Thirteen applications (nine for potential NIEs, three for potential RIEs and one for a potential MIE) were currently under review by the Panel.

Completed cases

Accreditation of Fundación NATURA, Panama

26. 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

27. After considering the conclusions and recommendation of the Accreditation Panel in accordance with 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 available to complete or oversee procurements – this would apply to projects with anticipated procurements over US\$ 10,000.

(Decision B.25/4)

28. The secretariat informed the Board that the Micronesia Conservation Trust (MCT), and the Government of the Federated States of Micronesia, had been informed of, and were in agreement with, the two conditions above.

Review of the accreditation process

29. 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

30. The Chair of the Project and Programme Review Committee (PPRC), Ms. Yuka Greiler (Switzerland, Western European and Others Group), introduced the report of the PPRC's sixteenth meeting (AFB/PPRC.16/14). A summary of the Board's funding decisions is presented in **Annex III** to the present report.

31. The PPRC Chair reported that the PPRC elected Mr. Yerima Peter Tarfa (Nigeria, Africa) acting Vice-Chair of the PPRC, pending his ratification by the Board, and welcomed three new members: Mr. Ahmed Waheed (Maldives, Asia); Mr. Albara E. Tawfiq (Saudi Arabia, Asia); and Ms. Fatuma Mohamed Hussein (Kenya, Non-Annex I Parties). The PPRC adopted its agenda based on the provisional agenda for the meeting (AFB/PPRC.16/1) and the annotated provisional agenda (AFB/PPRC.16/2) and added one additional item under "Other matters": *Capitalization of the Adaptation Fund's climate change reasoning*.

Update on funding status and the situation of the pipeline

32. The Chair of the PPRC summarized the report of the secretariat on the funding status and the situation of the pipeline.

Report of the secretariat on initial screening/technical review of project and programme proposals

33. The Chair of the PPRC summarized the report of the secretariat on the initial screening/technical review of the submitted project and programme proposals (AFB/PPRC.16/3 and Add.1) and indicated that the secretariat had identified no particular issues during the review process for consideration by the PPRC.

Report of the secretariat on initial screening/technical review of project and programme proposals

34. The Chair of the PPRC introduced the following project concepts.

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)

35. 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)

36. 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)

37. 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

38. The Chair of the PPRC introduced the following fully-developed projects and programmes.

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)

39. 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)

40. 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)

41. 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)

42. 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)

43. 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)

44. 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)*Compliance with the Environmental and Social Policy of the Fund*

45. The Chair of the PPRC said that the issue of problems of compliance with the Environmental and Social Policy of the Fund had been a constant theme when discussing the project and programme submissions. She reported that the secretariat had informed the Committee that it was aware of the issue and had drafted a guidance document to assist implementing entities in complying with the environmental and social policy of the Fund, which had been circulated to the implementing entities in a draft form and would be finalized by the end of April 2015. The Committee had considered the document useful and suggested the secretariat to post the document on the website of the Fund and to circulate it to the designated authorities, the Board members and the implementing entities.

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

46. The Chair of the PPRC said that the PPRC had discussed the need to track the responses by the proponents to the questions raised by both the secretariat and the PPRC, as requested in decision B.24/20. The secretariat had presented six options for the Committee to consider and had assisted the Committee in its deliberations with suggestions on how to combine the elements of the different options.

47. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC) as well as the aim of helping 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*

48. The Chair of the PPRC said that one member had pointed out that it was important for the Fund to capitalize on the experience of the projects' climate change reasoning so that the Fund's experience with concrete adaptation projects and programmes could be highlighted to other international actors that were also interested in climate change. However, in order to do that, it would first be necessary for the secretariat to prepare an analysis of how the project and programme proposals approved by the Board had addressed climate change adaptation reasoning.

49. 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

50. Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties), Vice-Chair of the Ethics and Finance Committee (EFC), presented the report of the EFC, recorded in greater detail in document AFB/EFC.16/8. She explained that the Chair of the EFC, Ms. Irina Helena Pineda Aguilar (Honduras, Group of Latin American and Caribbean Countries) had presided over the meeting on its first day, but had then had to return to her capital.

51. On the first day, the Chair had welcomed four new Board members to the EFC: Ms. Umayra Taghiyeva (Azerbaijan, Eastern Europe); Mr. Naresh Sharma (Nepal, Least Developed Countries); Mr. Samuela Vakaloloma Lagataki (Fiji, Small Island Developing States); and Ms. Zetterström-Goldmann herself.

Modified accreditation process for small entities

52. Ms. Tove Zetterström-Goldmann reported on the Committee's consideration of this item.

53. 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)

Evaluation of the Fund

54. She reported that the EFC had heard a presentation of preliminary findings from a representative of the company carrying out the evaluation. The Committee had taken note of the presentation.

Complaint handling mechanism

55. She reported that the Manager of the secretariat had reported on two cases of complaints that had been brought to the attention of the secretariat. The EFC had taken note of the information.

Implementation of the code of conduct

56. She reported that the Chair had drawn the attention of the Committee to the code of conduct posted on the Fund website; no matters had been raised.

Financial issues

(a) Guidelines for the monetization of carbon assets

57. She reported that the representative of the trustee had given a presentation on this item.

58. 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) Financial status of the Trust Fund and CER monetization

59. She reported that the representative of the trustee had given a presentation on this item. The EFC had taken note of the information.

(c) Work plan for the fiscal year 2016

60. She reported that the Manager of the secretariat had presented the work plan contained in document AFB/EFC.16/5.

61. 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

62. She reported that a representative of the secretariat and the trustee had presented document AFB/EFC.16/6, showing the Board and secretariat budgets for FY 2016 contained in **Annex IV**.

63. 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*

64. Ms. Tove Zetterström-Goldmann reported that five issues had been presented for consideration under Other Matters, the first at her own request and the remaining four at the request of the Manager of the secretariat.

a) *Gender policy for the Fund*

65. 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)

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

66. 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*

67. 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*

68. 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*

69. 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

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

70. The Chair indicated that the relationship with the Green Climate Fund (GCF) was a key issue for the Fund. There were various options for the Fund's coexistence with the GCF, and he suggested that the aim should be for the Board to have an agreed view by the time of COP21 in Paris.

71. Ms. Stephanie Kwan (GCF secretariat) gave an overview of the GCF, explaining that the GCF had been established within the framework of the UNFCCC as a mechanism to redistribute money from the developed to the developing world, in order to assist the developing countries in adaptation and mitigation. The GCF would support projects, programmes, policies and other activities in developing country Parties using thematic funding windows. It was intended to be the

centrepiece of efforts to raise climate finance of US\$ 100 billion a year by 2020, and was based in the new Songdo district of Incheon, Republic of Korea.

72. The GCF had organized a pledging conference in November 2014, securing pledges of US\$ 10.2 billion, and the aim was to have funding proposals approved by the time of the COP in Paris. It was intended that GCF funds would be divided equally between adaptation and mitigation. Of the portion allocated to adaptation, 50% would be assigned to Small Island Developing States, Least Developed Countries (LDCs) and African countries.

73. She stressed that the GCF sought to be a lean entity, working only with partners that had the right expertise. The GCF had accredited a first group of seven entities, five of which enjoyed fast-track accreditation through the fact that they had been already accredited by the Adaptation Fund. If the Adaptation Fund wished to apply for accreditation, it would be placed on the international track. However, it would not be eligible, itself, for fast-tracking. Accreditation covered both fiduciary requirements and environmental and social safeguards. It was a three-stage accreditation process, and there was a fee for being accredited, which varied with the circumstances of the applicant.

74. The representative of the secretariat introduced the two scenarios for linkages between the Fund and the GCF that the Board had sought to explore further (decision B.25-25/9). These and other scenarios were more fully described in document AFB/B.25/Inf.6. She listed the benefits to the GCF of the existence of the Adaptation Fund, which included that it was fully operational, had a lean administration and experienced staff, specialized in smaller projects in a highly localized context, and the investment in time and money it had made with its NIEs, as well as the community of practice built for NIEs and targeted support to them in accreditation and project/programme development through the Fund's readiness programme. She described the Fund's fiduciary standards as well as environmental and social safeguards, and also stressed the Fund's emphasis on transparency and accountability, as well as the existence of well-established grant award mechanisms.

75. Areas where the two Funds might work together included accreditation, result based management, readiness and the development of a project/programme pipeline. One approach might be for the GCF to outsource to the Fund the "micro" (in GCF terms) projects, which might otherwise be rather burdensome to it. A parallel option would be for the GCF to outsource the accreditation function to the Fund, given the latter's extensive experience.

76. One Board member said that in any form of cooperation, there would be a number of complex legal issues to be resolved. For example, both Funds had the World Bank as trustee. Likewise, there were some people, including himself, who were members of both Boards, which might be seen as those having a conflict of interest. Another member expressed the view that the issue was straightforward. The Fund had extensive experience, which would undoubtedly be beneficial to the GCF. He saw no need for the Fund to be accredited by the GCF, preferring the option of signing an agreement or memorandum of understanding with it. Other members, too, stressed the extent of the Fund's knowledge of its own specific niche. It should continue working in that niche, not try to supersede other bodies in theirs.

77. Several members considered that there was a consensus in the climate change community that future funds available would inevitably be channelled to the GCF rather than to any other bodies. The resource mobilization task-force would have to decide whether the GCF would be a source of a revenue stream for the Fund. If so, then the Fund should probably seek accreditation, but that entailed risks as well as rewards. One member recalled that it had been part of the rationale for

setting up the GCF that there should be complementarity between it and other climate finance bodies.

78. The Board considered that it needed to make its own strong case for the added value that it offered, based on the concrete achievements of which it was justifiably proud. It also needed to improve its outreach efforts. The Chair pointed out that the Board members who were also on the GCF Board could be both a source of information and a channel through which to make the Fund's case. He added that as several Board members had colleagues who were on the GCF Board, they too could be urged to help make the Fund's case.

79. The view was also expressed that trying to decide which route of cooperation to favour was premature at the current time. More dialogue was needed with both the GCF and the Standing Committee on Finance.

80. 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 Management;
 - (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)

b) Implementation of the readiness programme

81. The representative of the secretariat introduced document AFB/B.25/5 which contained a progress report on phase I of the Readiness Programme and a proposal for phase II. She said that the first phase of the programme had been developed and implemented through three core activities:

seminars and regional workshops, online collaboration and knowledge sharing, and South-South grants. Six seminars had been undertaken since the start of the programme and one final workshop was being planned in Windhoek, Namibia from 18 to 20 May 2015, in collaboration with the Heinrich Böll Foundation, the Government of Namibia and the Desert Research Foundation of Namibia. Summaries of all of the Adaptation Fund seminars, as well as the presentation materials, were available on the Fund website. One major issue highlighted by Accredited NIEs was that while the project formulation grant (PFG) was useful, the limit of US\$ 30,000 is insufficient to undertake all aspects of the development of a proposal. As part of the Readiness Programme, the secretariat had worked with Climate & Development Knowledge Network (CDKN) to create the Climate Finance Ready website to provide best practices, news, articles, links to resources and opportunities to share experiences. South-South cooperation had been approved for CSE: on behalf of Cabo Verde, Chad and Niger, and MINIRENA on behalf of Burundi. The Readiness Programme had also provided support for the implementation of the Fund's Environmental and Social Policy at each of the seminars and workshops, and a guidance document had been prepared and was currently being finalized.

82. She said that the Readiness Programme had resulted in: an increase in the number of applications for accreditation as a NIE or RIE; an increase in the number of proposals from NIEs; an increase in the number of partnerships with other organizations, an increase in the visibility of the Fund as leader in climate finance readiness, and the establishment of a community of practice among NIEs and RIEs. The second phase of the programme would build on the success already achieved. The first component would support the accredited implementing entities through: introductory seminars for newly accredited NIEs, peer-to-peer learning, small grants to develop capacity to manage environmental and social risks and project formulation assistance. The second component would provide: community practice and training; the strengthening of country level monitoring; and joint seminars, partnered with other organizations. The focus areas for the upcoming year would be seminars in West Africa, North Africa and the Middle East and East and Central Africa. The third component would be support for countries seeking accreditation through: South-South grants, seminars on climate readiness and new tools and guidance documents; while the fourth component would be knowledge management through continued support for the Climate Finance Ready website and case studies of adaption financing in projects of the Adaptation Fund, as well as the lessons learned.

83. Support was expressed for the readiness programme and it was felt that such initiatives would assure the objectives of the Fund. With this support it was hoped that all countries that were eligible would have their own NIE. However, it was also pointed out that the support for the accreditation process under the third component of phase II should make provision for the accreditation of small NIEs and that the secretariat, when organizing workshops, should not only hold them in countries with NIEs but also in countries without NIEs as it was the latter that particularly needed support in establishing NIEs.

84. The Board also heard a presentation from a representative of the German *Gesellschaft für Internationale Zusammenarbeit* (GIZ) on its experience with climate readiness finance and the tools it had developed to address that issue. Using a sporting analogy he said that the key factors for success were: teamwork, preparation and good support in the background. As part of its support for climate readiness finance, the GIZ provided long-term support with permanent in-country presence that was tailor-made support for each country and built, or built upon, national capacities. The GIZ could share three lessons from its experience. The first was that climate finance meant breaking new ground for both institutions and individuals. When working with NIEs that meant a long list of actions to be taken by small staffs of dedicated people for whom the task was new, the mandate often unclear and who were working under high pressure. The second lesson was that direct access could be a

catalyst for developing national capacities and boosting institutional development. The final lesson was that although measuring adaptation impacts was difficult it was crucial in order to improve results. The challenge was that results of adaptation projects had to be measurable in order to: be comparable, make wise project choices, and for ease of communication

85. The representative of the GIZ was asked whether the GIZ waited for NIEs to approach it or whether it acted more proactively. He said that GIZ helped when asked.

86. 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)

c) Issues related to regional projects/programmes

87. The representative of the secretariat introduced document AFB/B.25/Rev.1 which contained a summary of the e-mail consultations taken pursuant to Decision B.24/30 on the pilot programme on regional projects and programmes. A large number of useful ideas about regional projects were submitted and the funding needed ranged from US\$ 3 million to US\$ 250 million. The consultations provided a wealth of information especially on: economies of scale, the complexity of regional projects and programmes, the diversity of circumstances, the additional coordination required for such projects and programmes, the level of financing and the challenges associated with financing decisions. The Climate Technology Centre and Network (CTCN) also proposed that the Adaptation Fund could either use CTCN's technical assistance to help countries prepare for successful implementation of Adaptation Fund projects, or else should avoid duplication and maximize synergies between the Adaptation Fund and CTCN Knowledge Management Systems.

88. Implementing entities were wary of investing their own resources to develop detailed regional proposals. To address that issue it was proposed that the Board consider regional project formulation grants of up to US\$ 100,000. He then outlined the proposed programme which would focus on: food security, disaster risk reduction and early warning systems, transboundary water management; and innovation in adaptation finance. The funding window proposed was: up to US\$ 14 million for one project/programme, up to US\$ 5 million for up to three projects/programmes. The pilot programme could also provide PFGs of up to US\$ 100,000 for up to ten project/programme ideas, i.e. altogether up to US\$ 1 million. There would be a three-step process: a new and optional pre-concept proposal, concept proposals and fully-developed proposals. Up to US\$ 20,000 could be made available on the endorsement of the pre-concept proposal with the remainder of the PFG being disbursed on the endorsement of the concept proposal.

89. It was observed that it was unclear why the potential to partner with national implementing entities (NIEs) or other national institutions were only to be included in the management arrangements when possible. It was pointed out that the reason for the proposal was that the Fund needed a portfolio of regional projects and programmes. However, the proposal could be more ambitious. Other Funds had long had such portfolios. The Adaptation Fund was on the cutting edge of adaptation and that was not reflected in the document.

90. The Chair asked those who had made interventions to work with the secretariat to produce a revised document.

91. The representative subsequently introduced a revised document that addressed the concerns of the members (AFB/B.25/6/Rev.2).

92. 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)

93. The Manager of the secretariat said that decisions 1/CMP.10 and 2/CMP.10 had contained a number of requests to of the Board. In decision 1/CMP.10 the Board had been requested, in its future reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), to provide further clarity on the effect of the fluctuation of the price of certified emission reductions and the impact of this fluctuation on the resources available to the Fund.. CMP 10 had also decided to extend, to June 2017, the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund, but it had also requested the Board to continue its work on options for permanent institutional arrangements for the secretariat and the trustee.

94. In decision 2/CMP.10 the Board had been encouraged to consider, in particular: the scale of resources; regular estimates of the resources needed; and continuous review of the status of projects. It was also to consider options for addressing the diversification of revenue streams of the Adaptation Fund; and to consider, under its readiness programme, the following options for enhancing the access modalities of the Adaptation Fund: targeted institutional strengthening strategies to assist developing countries to accredit more national or regional implementing entities to the Adaptation Fund; ensuring that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-sized projects and programmes. The Adaptation Fund Board was also asked to consider options for developing operational linkages, as appropriate, between the Fund and constituted bodies under the Convention.

95. The Subsidiary Body for Implementation had been requested, at its forty-fourth session, to initiate the third review of the Adaptation Fund and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session, with a view to the

review being undertaken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session. The Board had been requested to include in its report to CMP 11 information on the progress made in relation to the matters referred to in paragraphs 3 to 6 of decision 2/CMP.10.

96. The Manager of the secretariat informed the Board that many of the requests made by the CMP had already been addressed. The Board had set resource mobilization targets of US\$ 80 million per year for the years 2014 and 2015. The resources mobilized for 2014 had amounted to US\$ 62.3 million, not including the recent contribution received from the Government of Luxembourg. The Board also regularly reviewed the status of its projects through the reports received from the secretariat and trustee, and considered, under its readiness programme, institutional strengthening activities to promote the accreditation of implementing entities and had approved a streamlined accreditation process for small entities as well as an NIE accredited under this process. The Board had also taken action to promote linkages with other bodies under the Convention, such as the GCF, the Adaptation Committee, and the CTCN.

97. A representative of the UNFCCC secretariat explained the timeline for the submission of the report of the Board to CMP11. He said that all documents for submission to CMP 11 had to be submitted to the UNFCCC Secretariat, and ready for translation by 17 September 2015. However, because the UNFCCC Secretariat would need to process the report of the Board so that it would be in a form acceptable to CMP 11, the UNFCCC Secretariat would need to receive the report of the Adaptation Fund Board by the end of August.

98. The Chair said that in order to meet those deadlines the draft report would be circulated to the members of the Board, for their comments, by the end of July 2015, or the first week of August 2015.

99. 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)

Agenda Item 11: Communications and outreach

100. The representative of the secretariat reported that in line with the communications strategy it continued to make available new communications materials telling the Fund story in clear and compelling ways, in both digital and print format. Materials continued to be translated into Spanish and French, and new communications elements created included a microsite "Climate Finance Ready," videos about the Fund's direct access modality (using interviews that the communications staff conducted during the Readiness Programme's seminar in Washington, DC in 2014), a new website for the Fund, and an Adaptation Story – Honduras. The Board now had a 'toolkit' of materials to support resource mobilization and other outreach activities; the Fund also now had a media kit, all of which were posted on the Fund website. The secretariat was currently sending out a periodic e-newsletter to an e-mail list of over 1,000 contacts and supporters.

101. The secretariat continued to foster positive relations with key media, and with foundations in the private sector. It also gave communications support at events attended, including providing

outreach materials, talking points and speeches, arranging for inclusion of Fund-related members on panels, providing social media and press outreach and organizing exhibit spaces.

102. The secretariat continued its activity on the social media channels. Since summer 2013, its Twitter audience had grown over 560%, from 498 to 3,273, and its Facebook audience had grown over 4,000%, from 271 to 10,493.

103. The secretariat continued to implement its communications and outreach strategy for the Readiness Programme on Climate Finance, in partnership with the Climate & Development Knowledge Network (CDKN). Various consultants were working to enhance the Fund's websites and keep them compliant with World Bank Group security and content requirements.

104. The Board took note of the presentation by the secretariat.

Agenda Item 12: Financial Issues

a) Financial status of the Adaptation Fund Trust Fund and CER monetization

105. The representative of the trustee reported on activities of the trustee since the previous meeting, and the financial status of the Adaptation Fund Trust Fund. He noted that the trustee's term of office had been extended by two years, and its Terms and Conditions of Service modified to cover the monetization of AAUs and ERUs. At the end of February 2015, total revenue to the Adaptation Fund had amounted to US\$ 471.9 million, of which US\$ 190.9 million was from CER sales, and US\$ 277.2 million from donations (and US\$ 3.7 million in investment income). At the beginning of the meeting, funds available for new project and programme approvals had amounted to US\$ 177.0 million. The representative of the trustee reported that opportunistic sales of CER sales were continuing and donation agreements were being processed, with two pledges still outstanding. During the preceding quarter the trustee had sold 1.26 million tons and generated US\$ 3.2 million of sales proceeds. The average price achieved in the quarter had been EUR 2.24, significantly above the market price for CERs. Since the 31 December 2014 trustee report, donation agreements had been finalized with Luxembourg and France.

106. The Adaptation Fund Board took note of the report by the trustee.

Status of the project/programme pipeline

107. The representative of the secretariat reported that the pipeline was now practically empty. Three of the four projects from the previous meeting had now been approved. Following the approvals made during the present meeting, there was now a balance of US\$ 110 million available for new funding decisions.

108. The Board took note of the report by the secretariat.

Agenda Item 13: Dialogue with UNFCCC Executive Secretary, Ms. Christiana Figueres

109. Ms. Christiana Figueres, Executive Secretary of the United Nations Framework Convention on Climate Change, discussed the progress of the efforts to negotiate a new agreement on climate change to be agreed in Paris at the end of the year. There would be a series of negotiating sessions in the coming months including a major one in June in the World Conference Centre, Bonn.

110. The Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) has come out of the session in Geneva, with a text. Under its co-chairs, the ADP will be working on simplifying it, eliminating duplications, and generally cleaning it up. The aim is to achieve a clean text that could be agreed in Paris without stress or drama. Informal negotiations will also continue at meetings of Heads of State, such as the G7 or the G20.

111. She was confident that an agreement would be adopted in Paris. The concern was whether it would be transformational enough, and going to last for a sufficiently significant length of time. The conversion to a low-carbon world would be a process taking several decades, particularly for transformation of the energy sector. The first harvest of Intended Nationally Determined Contributions, from 35 countries, had already been gathered, establishing a framework and a direction. Some of them placed the emphasis on mitigation, some on adaptation, and some addressed both approaches. What was essential was to achieve deeper emissions reductions and higher climate resilience than was the case at present.

112. She suggested that adaptation was the Cinderella of the climate change regime. Owing to a lack of experience, financing for it was harder to obtain than for mitigation. Now, however, there was a growing political call for parity between mitigation and adaptation.

113. She remained confident that the carbon markets would recover, pointing out that there was some form of market scheme in 40 jurisdictions, even though many of them were small. When the markets revived, the market architecture was likely to be much more complex than in the past. Also, the adaptation side would recover only if there was very fast and aggressive mitigation.

114. There might even be some scale of recovery in CERs or some similar revenue source. At the same time, she agreed with the consensus within the Board that voluntary fundraising was not the answer, and would in any event dry up as the GCF became operational.

115. She could see no logical reason for the Fund not to have a positive relationship with the GCF. She suggested that the Fund should be somewhat less humble, less overawed by the scale of the GCF. It should prepare a short document, one or two pages, setting out where it saw a clear winning situation for both bodies. It should also itemize the concerns that the Fund knew that the GCF harboured, and address them. It would then be time to hold a frank and firm conversation. Once the two Funds had agreed that they were stronger together than apart, the rest would follow.

116. The Fund should also engage with the Standing Committee on Finance, which had already been instructed by a COP to explore linkages with other bodies including the Adaptation Fund. The Standing Committee was an opinion-maker, whose support would be beneficial to the Fund.

117. The Board expressed appreciation to the Executive Secretary for her contribution. One member asked whether an issue of such strategic scale as the relationship between the Fund and the GCF should not be handled at the level of the CMP. Ms. Figueres pointed out that the GCF did not fall under the CMP and would not be guided by it. Nor did the Fund need the permission of the CMP to approach the GCF. She would also not be in favour of trying to place the relationship between the two Funds on the agenda of the COP, which in Paris would already be extremely overloaded. Not raising the matter until Paris would be a waste of several months.

118. Another member pointed out that the Fund did have a positive message for the GCF, in that five of the latter's seven already-accredited bodies had been fast-tracked as a result of their prior accreditation by the Fund.

119. One member pointed out that the issue was partly one of size. Relatively speaking, the GCF was, or was going to be, huge; on the other hand the Fund, while small, did have a track record of actually delivering real results on the ground. It should do a better job of making its successes known. He was not sure whether signing a memorandum of understanding with the GCF would bring in the requisite predictable and regular funding.

120. Ms. Figueres pointed out that there were pledges to the GCF of \$US 10 billion, and that it had a clear mandate to put 50% of the funds into adaptation. It also had no experience of actual adaptation projects. The Fund, on the other hand, had very few resources but much experience, plus the bonus of its direct access modality.

121. The Chair thanked the Executive Secretary for making the time to address the Board.

Agenda Item 14: Dialogue with civil society organizations

122. The report of dialogue with civil society is contained in **Annex V** to the present report.

Agenda Item 15: Date and venue of meetings in 2015 and onwards

123. Following requests for clarification on the dates of the dates of the twenty-sixth, twenty-seventh and twenty-eighth meetings of the Adaptation Fund Board, the Manager of the secretariat confirmed the following dates for the meetings of the Board:

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

124. The Chair informed the Board that the dates of the twenty-seventh meeting meant that it would be held before the Easter holiday.

Agenda Item 16: Other matters

125. There were no other matters.

Agenda Item 17: Adoption of the report

126. The present report was adopted intersessionally by the Board following its twenty-fifth meeting.

Agenda Item 18: Closure of the meeting

127. The Chair declared the meeting closed at 3.05 p.m. on Friday, 10 April 2015.

ANNEX I

ATTENDANCE AT ADAPTATION FUND BOARD – TWENTY-FIFTH MEETING

| MEMBERS | | |
|----------------------------------|----------------|-----------------------------------|
| Name | Country | Constituency |
| Mr. Yerima Peter Tarfa | Nigeria | Africa |
| Mr. Ezzat Lewis Hannalla Agaiby | Egypt | Africa |
| Mr. Ahmed Waheed | Maldives | Asia-Pacific |
| Mr. Philip S. Weech | Bahamas | Latin America and the Caribbean |
| Mr. Emilio Luis Sempris Ceballos | Panama | Latin America and the Caribbean |
| Mr. Hans Olav Ibrekk | Norway | Western European and Others Group |
| Mr. Michael Jan Hendrik Kracht | Germany | Annex I Parties |
| Ms. Tove Zetterström-Goldmann | Sweden | Annex I Parties |
| Ms. Fatuma Mohamed Hussein | Kenya | Non-Annex I Parties |
| Ms. Patience Dampney | Ghana | Non-Annex I Parties |
| Mr. Mamadou Honadia | Burkina Faso | Least Developed Countries |
| Mr. Paul Elreen Phillip | Grenada | Small Island Developing States |

| ALTERNATES | | |
|--|----------------|-----------------------------------|
| Name | Country | Constituency |
| Mr. Petrus Muteyauli | Namibia | Africa |
| Mr. Zaheer Fakir | South Africa | Africa |
| Mr. Waduwawatte Lekamalaga Sumathipala | Sri Lanka | Asia-Pacific |
| Mr. Albara E. Tawfiq | Saudi Arabia | Asia-Pacific |
| Mr. Aram Ter-Zakaryan | Armenia | Eastern Europe |
| Ms. Umayra Taghiyeva | Azerbaijan | 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 |
| Ms. Yuka Greiler | Switzerland | Western European and Others Group |
| Mr. Markku Kanninen | Finland | Annex I Parties |
| Ms. Ana Fornells de Frutos | Spain | Annex I Parties |
| Ms. Margarita Caso Chavez | Mexico | Non-Annex I Parties |
| Ms. Wenhong Huang | China | Non-Annex I Parties |
| Mr. Naresh Sharma | Nepal | Least Developed Countries |
| Mr. Samuela Vakaloloma Lagataki | Fiji | Small Island Developing States |

ANNEX II

ADOPTED AGENDA OF THE TWENTY-FIFTH BOARD MEETING

1. Opening of the meeting.
2. Transition of the Chair and Vice-Chair.
3. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
4. Report on activities of the outgoing Chair.
5. Report on activities of the secretariat.
6. Report of the Accreditation Panel.
7. Report of the sixteenth meeting of the Project and Programme Review Committee (PPRC) on:
 - a) Issues identified during project/programme review;
 - b) Project/programme pipeline;
 - c) Project/programme proposals;
 - d) Improving the tracking of changes made between different versions of project/programme proposals
8. Report of the sixteenth meeting of the Ethics and Finance Committee (EFC):
 - a) Modified accreditation process for small entities on;
 - b) Evaluation of the Fund;
 - c) Complaint handling mechanism;
 - d) Implementation of the code of conduct;
 - e) Financial issues.
9. Issues remaining from the twenty-fourth meeting:
 - a) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund;
 - b) Implementation of the readiness programme;
 - c) Issues related to regional projects/programmes.
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 the meeting of the Parties to the Kyoto Protocol (CMP 10).
11. Communications and outreach
12. Financial issues:

- a) Financial status of the Trust Fund and CER monetization;
- b) Status of the project/programme pipeline;

13. Dialogue with UNFCCC Executive Secretary, Ms. Christiana Figueres.

14. Dialogue with civil society organizations.

15. Date and venue of meetings in 2015 and onwards.

16. Other matters.

17. Adoption of the report.

18. Closure of the meeting.

ANNEX III

SUMMARY OF THE BOARD'S FUNDING DECISIONS ON PROJECTS AND PROGRAMMES

| | Country/Title | IE | Document Ref | Project | Fee | NIE | RIE | MIE | IE fee % | Set-aside Funds | Decision |
|--------------------------------------|-------------------------------------|------------|---------------------|-------------------|------------------|-------------------|-------------------|----------|-------------|-------------------|--------------|
| 1. Projects and Programmes: | | | | | | | | | | | |
| | India | NABARD | AFB/PPRC.16/8 | 893,970 | \$75,600 | 969,570 | | | 8.5% | | Not approved |
| | India | NABARD | AFB/PPRC.16/9 | 1,651,087 | \$139,413 | 1,790,500 | | | 8.4% | 1,790,500 | Approved |
| | India | NABARD | AFB/PPRC.16/10 | 1,268,055 | \$109,955 | 1,378,010 | | | 8.7% | | Not approved |
| | Jordan | MOPIC | AFB/PPRC.16/11 | 8,503,000 | \$723,000 | 9,226,000 | | | 8.5% | 9,226,000 | Approved |
| | Morocco | ADA | AFB/PPRC.16/12 | 9,188,940 | \$781,060 | 9,970,000 | | | 8.5% | 9,970,000 | Approved |
| | Peru | PROFONANPE | AFB/PPRC.16/13 | 6,405,750 | \$544,489 | 6,950,239 | | | 8.5% | | Not approved |
| | Sub-total | | | 27,910,802 | 2,373,517 | 30,284,319 | 0 | 0 | 8.5% | 20,986,500 | |
| 2. Project Formulation Grant: | | | | | | | | | | | |
| | Senegal | CSE | AFB/PPRC.16/5/Add.1 | 30,000 | | 30,000 | | | | | Not approved |
| | Sub-total | | | 30,000 | | 30,000 | | | | 0 | |
| 3. Concepts: | | | | | | | | | | | |
| | Senegal | CSE | AFB/PPRC.16/5 | 1,276,110 | 104,890 | 1,381,000 | | | 8.2% | | Not endorsed |
| | Micronesia (Federated States of) | SPREP | AFB/PPRC.16/6 | 8,321,175 | 646,425 | | 8,967,600 | | 7.8% | | Not endorsed |
| | Uganda | OSS | AFB/PPRC.16/7 | 7,004,000 | 490,280 | | 7,494,280 | | 7.0% | | Endorsed |
| | Sub-total | | | 16,601,285 | 1,241,595 | 1,381,000 | 16,461,880 | 0 | 7.5% | 0 | |
| 4. Total (4 = 1 + 2 + 3) | | | | 44,542,087 | 3,615,112 | 31,695,319 | 16,461,880 | 0 | 8.1% | 20,986,500 | |

ANNEX IV

APPROVED FY15 AND FY16 BUDGET OF THE BOARD AND SECRETARIAT, AND THE TRUSTEE¹

| All amounts in US\$ | | Approved FY15 | Estimate FY15 | Approved FY16 |
|--|----------------------------------|----------------------|------------------|------------------|
| BOARD AND SECRETARIAT | | | | |
| 01 | Personnel | 1,451,938 | 1,411,938 | 1,704,295 |
| 02 | Travel | 414,000 | 394,000 | 434,000 |
| 03 | General operations | 293,870 | 297,870 | 345,870 |
| 04 | Meetings | 340,000 | 340,000 | 340,000 |
| Sub-total secretariat administrative services (a) | | 2,499,808 | 2,443,808 | 2,824,165 |
| 05 | Overall evaluation (b) | 335,000 | 160,000 | 200,000 |
| 06 | Accreditation (c) | 460,000 | 460,000 | 460,000 |
| Sub-total secretariat (a), (b) and (c) | | 3,294,808 | 3,063,808 | 3,484,165 |
| 07 | Readiness Programme (d) | 639,899 ² | 523,074 | 565,000 |
| Sub-total secretariat (a) + (b) + (c) + (d) | | 3,934,707 | 3,586,882 | 4,049,165 |
| TRUSTEE | | | | |
| 01 | CER Monetization | 246,000 | 246,000 | 203,000 |
| 02 | Financial and Program Management | 210,000 | 210,000 | 225,000 |
| 03 | Investment Management | 101,000 | 101,000 | 115,000 |
| 04 | Accounting and Reporting | 56,000 | 56,000 | 56,000 |
| 05 | Legal Services | 40,000 | 40,000 | 20,000 |
| | External Counsel | 150,000 | - | - |
| 06 | External Audit | 60,000 | 60,000 | 50,000 |
| Sub-total trustee | | 863,000 | 713,000 | 669,000 |
| GRAND TOTAL ALL COMPONENTS | | 4,797,707 | 4,299,882 | 4,718,165 |

¹ Decimal points in the table are rounded up.

² The unspent portion of the Readiness Programme budget for Phase I was carried over from FY14 to FY15.

ANNEX V

THE DIALOGUE WITH CIVIL SOCIETY, 9 APRIL 2015, BONN, GERMANY

1. Chair of the Adaptation Fund Board, Mr. Hans Olav Ibrekk (Norway, Western European and Other States), invited the Board to enter into a dialogue with civil society. He thanked civil society for its participation in the meeting.
2. Mr. Emmanuel Seck, Enda Tiers-Monde reported on the adaptation to coastal erosion in the Saly, Joal and Rufisque of regions of Senegal. The project had increased awareness of adaptation in the community and the involvement of youth; and had promoted gender issues and women's leadership. Regional committees had been established, as well as a national steering committee and a network of coastal stakeholders. In terms of concrete measures, improved ovens had reduced air pollution and the pressure on wood fuel, renewable energy was being used in fish processing areas, fishing docks had been rehabilitated, houses and beaches protected with a seawall and breakwater, biodiversity restored, and market gardening and cereal production developed. The main challenges had been Institutional instability, which had delayed some activities, the infiltration of seawater through Joal's anti-salt dike, and the need to extend Saly's breakwater to protect fishing the community. The success had been the ownership of project, and its achievements, by the government and local authorities in Saly, Joal and Rufisque. Institutional capacity building for climate fund governance had occurred through NIE accreditation, and the project performance report would allow better appreciation of the achievements of the project. The Green Climate Fund was also considering the scale-up of adaptation initiatives for a larger strategy on coastal management.
3. In response to question from the Board, Mr. Seck said that an important lesson was that it was important for everyone to be involved at the local level when building up a project.
4. Mr. Ehab Eid, the Royal Marine Conservation Society of Jordan (JREDS) reviewed the use of water in Jordan and recounted the details of the approval of the fully-developed programme for Jordan, which had been approved by the Board at the present meeting. He said that in the coming months there would be a need: to strengthen the engagement with the Ministry of Planning and International Cooperation (MOPIC), as National Implementing Entity for Jordan, and with vulnerable communities; to act as an observer to ensure project appropriate implementation; and to strengthen the engagement of most vulnerable group in the project implementation.
5. Ms. Lisa Junghans (Germanwatch) reported on projects in: Cambodia, Honduras, Jamaica, South Africa and Tanzania. In Cambodia some of the activities had continued to be delayed because institutional instability. Unpredictable weather also meant that road access could, at times, be difficult. More training for communities and project teams was required, the number of families receiving technical support for home gardens should be doubled, and 150,000 multi-use trees should be planted around existing rice paddies. In Honduras the project was now running smoothly after the change in government. An online portal for spatial and climate change information, GEOPORTAL, had been established and three forums on climate change adaptation and mitigation measures would be facilitated.
6. In Jamaica the project continued to be delayed by a dispute with hotel owners in Negril over the effects of the proposed breakwater, and a documentary had been made exploring the impasse. In South Africa a small grants facility had been established and catchment management addressed. The principal challenge had been the recognition of the importance of local knowledge and agency.

7. In Tanzania there had been several project delays and a second baseline study was being conducted with new targets for the sea wall and the proposed area for the drainage system. The United Nations Office for Project Services (UNOPS) had been selected to manage the project components. The rehabilitation and construction of sea wall was to start in June 2015, the clean-up the drainage channels and rehabilitation of storm drains in June 2015, and the purchase of 1,500 cook stoves during the second quarter of 2015. A regional hub workshop and a field visit were also planned.

8. In response to a question about the dispute of the hotel owners in Negril, Ms. Junghans said that Negril was famous for its beach and that the hotel owners were concerned about the impact of the breakwater on water quality and the view from the beach. With respect to Tanzania she said that the causes of the delay in the project were unclear and that the principal reason for the proposed site visit was to assess those causes.

9. Mr. Alpha Kaloga (Germanwatch) spoke about institutional linkages with the Adaptation Fund and drew the attention of the Board to the briefing papers that had been prepared for the present meeting: *Rationalization of the Financial Mechanism of the UNFCCC: Options for Adaptation Finance* and a *Briefing on the 25th meeting of the Adaptation Fund Board*. He also drew the attention of the Board to the executive summary of a research report, *Learning from Direct Access Modalities in Africa* and a paper entitled *What are the legal, political and governance implications of designating the Adaptation Fund as an operating entity of the financial mechanism of the Convention*.

10. He said, that in paragraph 5 of decision 2/CMP.10 the Adaptation Fund had been requested, under its readiness programme, to consider targeted institutional strengthening strategies to assist developing countries, in particular the least developed countries, to accredit more national and regional entities, and ensure that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-sized projects and programmes. Given the decision by the Green Climate Fund to fast track entities accredited with the Adaptation Fund, he asked whether the Adaption Fund would act to fill the gaps between the two adaptation processes. He also called for a streamlined accreditation process, the encouragement of strong accountability at the local level and a proposal to encourage the accreditation of several entities within one country. With respect to the readiness programme he said that the secretariat had an important role in monitoring and evaluating activities under the South-South grants and that a process was needed to ensure that discussions and recommendations by the different bodies of the Board fed into the readiness activities.

11. The option of the accreditation of the Fund as an intermediary under the Green Climate Fund needed further elaboration. Other options were worth pursuing; such as division of labour between the two funds. With respect to civil society he asked the Board to consider allowing its participation in the discussions of the Project and Programme Review Committee and Ethics and Finance Committee. Civil society should be allowed to speak and react to each agenda item, both when the Board was considering the items and before the decisions were taken by the Board. The elaboration of a gender action-plan should allow for inputs from key the stakeholders working on gender issues.

12. The Chair thanked those members of civil society in attendance for their presentations. He also said that it would be useful to have the input of civil society earlier in the decision making processes of the Board.