



ADAPTATION FUND

AFB/B.26/6
9 October 2015

ADAPTATION FUND BOARD

Twenty-sixth Meeting

Bonn, Germany, 8-9 October, 2015

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

Agenda Item 2: Organizational matters

(b) Organization of work

1. The Adaptation Fund Board decided to appoint Mr. Hugo Potti Manjavacas (Spain, Annex I Countries) as an alternate member of the Adaptation Fund Board.

(Decision B.26/1)

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

Central American Bank for Economic Integration (CABEI)

2. The Adaptation Fund Board, having considered the conclusion and recommendation of the Accreditation Panel outlined in Annex I of the Report of the 20th Accreditation Panel, decided to accredit the Central American Bank for Economic Integration (CABEI) as a Regional Implementing Entity (RIE) of the Adaptation Fund.

(Decision B.26/2)

Agenda Item 6: Report of 17th meeting of the Project and Programme Review Committee

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

3. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to inform the Multilateral Implementing Entities and Regional Implementing Entities that the call for proposals under the Pilot programme for Regional Projects and Programmes is still open and to encourage

them to submit proposals to the AFB at its 27th meeting, bearing in mind the cap established by decision B.25/28.

(Decision B.26/3)

4. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to post on the website of the Adaptation Fund a list of those countries that are eligible for inclusion in projects and programmes being submitted by each Regional Implementing Entity.

(Decision B.26/4)

Review of project and programme proposals

Concept proposals

Proposals from National Implementing Entities (NIEs)

India (1): Building Adaptive Capacities of Communities, Livelihoods and Ecological Security in the Kanha-Pench Corridor of Madhya Pradesh (Project Concept; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Forests/2015/1; US\$ 2,514,561)

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

- a) Endorse the project concept, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- b) Request the secretariat to transmit to NABARD the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The level of degradation of Kanha-Pench Corridor (KPC) forests, and the link to climate-related threats to those forests should be better demonstrated in the fully-developed project document;
 - (ii) The fully-developed project document should provide clearer details of which crop varieties and mix of crops are expected to be optimal for Madhya Pradesh given the projected climatic changes for the State;
 - (iii) The fully-developed project document should explain how concerns of women, children and vulnerable communities have been integrated and addressed in the project design and monitoring system, and how vulnerability criteria were used in the selection of beneficiary households;
 - (iv) Also, the fully-developed project document should demonstrate how participatory and sustainability mechanisms will be put in place in order to ensure equitable economic and sustained environmental benefits from the project;

- (v) The fully-developed project document should provide a more detailed elaboration on the cost effectiveness of the project's proposed adaptation measures;
- (vi) The fully-developed project document should demonstrate that tourism operators have been engaged with to seek their inputs in the project activities;
- (vii) The fully-developed project document should further explain how the project would avoid duplication with any potentially overlapping projects or programmes, and how it would ensure synergy and complementarity with them;
- c) Approve the Project Formulation Grant of US\$ 28,400;
- d) Request NABARD to transmit the observations under item (b) to the Government of India; and
- e) Encourage the Government of India to submit through NABARD a fully-developed project proposal that would also address the observations under item (b) above.

(Decision B.26/5)

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\$ 1,256,983)

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

- a) Endorse the project concept, as supplemented by the clarification response provided by the *Centre de Suivi Ecologique* (CSE) to the request made by the technical review;
- b) Request the secretariat to transmit to CSE the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project document should provide a better justification on the link between climate change and fisheries production;
 - (ii) The fully-developed project document should consider addressing harmful overexploitation of resources through a more comprehensive approach rather than focusing only updating and formalizing rules;
 - (iii) The fully-developed project document should elaborate on how the access to benefits from the project would be equitable;
 - (iv) The fully-developed project document should be based on a more comprehensive risk screening, and contain environmental and social impact assessment studies, and an Environmental and Social Management Plan (ESMP);
- c) Approve the Project Formulation Grant of US\$ 30,000;

- d) Request CSE to transmit the observations under item (b) to the Government of Senegal; and
- e) Encourage the Government of Senegal to submit through CSE a fully-developed project proposal that would also address the observations under item (b) above.

(Decision B.26/6)

Proposals from Regional Implementing Entities (RIEs)

Ecuador: Reduction of the Toachi Pilatón hydroelectric plant's vulnerability to the effects of climate change with a focus on Integrated, Adaptive Watershed Management - MATCH (Project Concept; Banco de Desarrollo de America Latina (CAF; Development Bank of Latin America); ECU/RIE/Energy/2015/1; US\$ 2,489,373)

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

- a) Not endorse the project concept, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- b) Suggest that CAF 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 clarify more clearly the ultimate and overall objective of the project (concrete outcomes expected for both communities and the hydropower sector), and most importantly, why/how the intended activities are envisioned to contribute to this objective in concrete terms;
 - (ii) The proposal should provide further information on the sustainability of the assets that would be developed or protected, such as the ones under component 1;
 - (iii) The proposal should explain whether watershed management plans, relevant to this project, were developed and implemented as part of the establishment of the hydro-power plant, and how the proposed project would build upon these plans;
 - (iv) The proposal should further elaborate on the outcomes of consultations held with communities and demonstrate the extent to which they were taken into account during the design of the project, as well as clarify further how target regions and communities will be selected for the project;
 - (v) The proposal should more clearly and robustly evaluate the cost-effectiveness of the project relative to viable adaptation alternatives, as well as comparing the proposed interventions to the baseline of no Adaptation Fund funding to justify the investment; and

- c) Request CAF to transmit the observations under item (b) to the Government of Ecuador.

(Decision B. 26/7)

Guinea-Bissau: Scaling up climate-smart agriculture in East Guinea-Bissau (Project Concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); GNB/RIE/Agri/2015/1; US\$ 9,979,000)

8. 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 *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;

- b) Suggest that BOAD 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 clarify whether there are existing land-use or water management policies and plans that would need to be taken into account while constructing the small scale dams and while implementing the climate smart agricultural practices planned to be funded by the project, or whether such policies and plans would need to be developed during the proposed project;

(ii) The proposal should more comprehensively identify other relevant past and on-going initiatives, and explain complementarity and lack of duplication. The proposed project should more clearly identify outcomes and lessons learned of the existing project "Strengthening adaptive capacity and resilience to Climate Change in the Agrarian and Water Resources Sectors in Guinea-Bissau" funded by the Least Developed Countries Fund (LDCF) and implemented by the UNDP, and explain complementarity with it;

(iii) The proposal should explain how the proposed approach has been selected in preference of other less cost-effective options;

(iv) The proposal should explain whether it has considered inclusion of hydrometeorological services, and if necessary, adjust the project activities accordingly;

(v) The proposal should identify relevant standards in the areas relevant to the proposed project, such as agriculture, water and natural resources management, and small infrastructure, as well as environmental and social standards, and indicate compliance with them; and

- c) Request BOAD to transmit the observations under item (b) to the Government of Guinea-Bissau.

(Decision B. 26/8)

Peru (1): AYNINACUY: Strategies for adaptation to climate change, for the preservation of livestock capital and livelihoods in highland rural communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Arequipa Region (Project Concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); PER/RIE/Rural/2015/1; US\$ 2,236,925)

9. 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 *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- b) Suggest that CAF 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 include a more comprehensive description of project activities' response to climate change impacts;
 - (ii) The proposal should provide significantly more justification and rationale for the cost-effectiveness of the project by comparing the proposed measures to viable alternatives in economic terms to the extent possible;
 - (iii) A clearer justification of the full-cost of adaptation is required;
 - (iv) The proposal should further explain how the project would avoid duplication with any potentially overlapping projects or programmes, and how it would ensure synergy and complementarity with them;
 - (v) The sustainability of the project should be strengthened significantly through specification of institutions and other mechanisms to ensure longevity and maintenance of project outcomes;
 - (vi) The description of follow-up consultations should reflect on the findings and outcomes of the consultative process, including particularly vulnerable groups; and
- c) Request CAF to transmit the observations under item (b) to the Government of Peru.

(Decision B. 26/9)

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

India (2): 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)

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

- a) Approve the project document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- b) Approve the funding of US\$ 969,570 for the implementation of the project, as requested by NABARD;
- c) Note the commitment to set up a grievance mechanism at the project level;
- d) Request NABARD to provide a clarification, to be included in the project agreement as part of the project document, of how the project-level grievance mechanism would be linked to the grievance mechanism of NABARD, so that it would be possible for project stakeholders to raise grievances to NABARD, if necessary; and
- e) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the project.

(Decision B. 26/10)

Namibia (1): Strengthening traditional approaches for coping with climate variability by small-scale farmers (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Agri/2015/1; US\$ 989,140)

11. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- b) Suggest that DRFN 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 more clearly outline the project outputs and outcomes. Outputs should be concrete and quantifiable;

- (ii) Additional information should be provided to demonstrate how the non-climatic stressors and anthropogenic drivers of degradation are relevant to this particular project;
 - (iii) The proposal should more clearly outline how it will engage and involve women and other marginalized or vulnerable groups;
 - (iv) The proposal should clarify what mechanisms will be used to ensure that information is disseminated and all relevant parties that need to have access to the information have it;
 - (v) Relative to cost-effectiveness, the proposal should demonstrate how the suggested activities are more cost-effective than other activities that would aim at achieving the same objective;
 - (vi) The proposal should outline what specific outcomes of other projects and programs informed the design of this project,
 - (vii) Evidence and demonstration of the outcomes of the environmental and social assessment should be provided; and
- c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

(Decision B. 26/11)

Namibia (2): Pilot desalination plant with renewable power and membrane technology (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Water/2015/1; US\$ 750,000)

12. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- b) Suggest that DRFN 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) A consultative process in the site of Bethanie should be undertaken, further defining the role of local communities and other concerned civil society stakeholders in the project, and the proposal should subsequently provide gender-disaggregated data and socio-economic data on potential beneficiaries in both targeted sites;
 - (ii) The proposal should elaborate on the cost effectiveness of the proposed interventions (including operation and maintenance, technology life span) compared with other available alternatives and provide supporting figures;

- (iii) The proposal should provide a copy of the reports on the Environmental Impact Assessments for the two plants, to allow for a better review of the project's potential environmental and social impacts and the planned mitigation measures to minimise these impacts, if any;
 - (iv) The proposal should include an Environmental and Social Management Plan for the whole project identifying key stakeholders and their respective roles in the implementation and monitoring of such plan, and should describe a grievance mechanism that would include NamWater in its quality as the national water company that will run the operations of the two plants;
 - (v) The proposal should include budget notes including estimate of costs of the main equipment and workforce that will be needed to undertake the different tasks (consulting firm, international or national consultant fees estimates);
 - (vi) The proposal could include examples of similar experiences and further demonstrate how lessons learned will be utilized for effective implementation of the interventions planned in this project;
 - (vii) The proposal should explain how the lessons learned will be taken up for knowledge management and shared with other countries and communities; and
- c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

(Decision B. 26/12)

Namibia (3): Community-based Integrated Farming System for Climate Change Adaptation (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Agri/2015/2; US\$ 750,000)

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

- a) Not approve the project document, as supplemented by the clarification response provided by the Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- b) Suggest that DRFN 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) To better demonstrate the adaptation reasoning, the proposal should further elaborate on how the proposed activities will address the issues identified, including the depletion of water resources and the increased bush encroachment affecting the availability of livestock grazing areas;
 - (ii) The proposal should clarify how the institutions at national level will provide supportive policy and regulatory environment and how the project will ensure

community ownership in the absence of clarity on the intended ways of engagement;

(iii) The proposal should better demonstrate how the market research will support addressing adaptive capacity of concerned communities. In the same regard, more emphasis should be placed on integrated farming systems (IFS) so that proposed actions sufficiently promote IFS in the target communities;

(iv) The proposal should clarify against which paradigm and alternative adaptation measures the cost effectiveness would be analysed, which is difficult to assess at this point given the lack of information on the adaptation issues to be addressed;

(v) The proposal should further demonstrate how it does not duplicate with other interventions and should outline the linkages and synergies with relevant potentially overlapping projects/programmes, including areas of overlap and complementarity, drawing lessons from the earlier initiatives during the project design, learning from their problems/mistakes, and establishing a framework for coordination during implementation;

(vi) The proposal should better explain how it complies with the 15 principles of the Environmental and Social Policy (ESP) of the Fund and should subsequently state the category in which the screening process has classified the project/programme;

(vii) In line with the changes requested above, the results framework should be improved, to better reflect the project's adaptation-related objective and should include at least one core outcome indicators from the Fund's results framework; and

c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

(Decision B. 26/13)

Regular proposals:

Chile: Enhancing resilience to climate change of the small agriculture in the Chilean region of O'Higgins (Fully-developed Project Document; *Agencia de Cooperación Internacional de Chile* (AGCI; Chilean International Cooperation Agency); CHL/NIE/Agri/2013/1; US\$ 9,960,000)

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

a) Approve the project document as supplemented by the clarification response provided by the *Agencia de Cooperación Internacional de Chile* (AGCI) to the request made by the technical review;

b) Approve the funding of US\$ 9,960,000 for the implementation of the project, as requested by AGCI; and

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

(Decision B. 26/14)

India (3): Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Water/2013/1; US\$ 1,344,155)

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

- a) Approve the project document as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- b) Approve the funding of US\$ 1,344,155 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. 26/15)

Namibia (4): Integrating climate smart land management options in Namibia: to enhance long term productivity, profitability and resilience (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Rural/2015/1; US\$ 6,000,000)

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

- a) Not approve the project document, as supplemented by the clarification response provided by the Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- b) Suggest that DRFN 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) While additional detail has been provided on a number of issues relative to the selected sites, the proposal should further clarify how the proposed activities will influence the behaviour of communities, and how vulnerability is used as a criterion for site selection;
- (ii) The proposal should provide additional detail for project activities, including how activities will be vetted and selected in Component 3;
- (iii) The proposal should provide additional information on the description of social and environmental benefits, as well as evidence for the value (costs vs. benefits) of the investment of the project;

- (iv) The description of the consultative process that informed the design of the project should be elaborated, particularly with respect to how women and particularly vulnerable people will be engaged in the project;
 - (v) The proposal should clarify how it will ensure consistency and conformity among different partners playing similar roles according to fields of expertise or area of focus of specific organizations;
 - (vi) The budget should be revised in line with the requirements to provide information at the budget-line level, as well as the results framework to include the required information; and
- c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

(Decision B. 26/16)

Peru (2) – Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries (Fully-developed Project Document; *Fondo de Promoción de las Áreas Naturales Protegidas del Perú* (PROFONANPE; Peruvian Trust Fund for National Parks and Protected Areas); PER/NIE/Coastal/2015/1; US\$ 6,950,239)

17. 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 *Fondo de Promoción de las Áreas Naturales Protegidas del Perú* (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) As noted in the previous review, the revised 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;
 - (ii) The revised proposal should include a comprehensive Environmental and Social Management Plan (ESMP) in compliance with the Adaptation Fund Environmental and Social Policy. The ESMP should include provisions for identifying and managing, during project implementation, risks that have not been identified before project approval;
 - (iii) An Environmental and Social Impact Assessment (ESIA) should be conducted for the tourist dock related activities before the project is submitted for approval, and the ESIA report should be attached to the revised proposal; and
- c) Request PROFONANPE to transmit the observations under item (b) to the Government of Peru.

(Decision B. 26/17)*Proposals from Regional Implementing Entities (RIEs)*

Niger: Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger, through Modern Irrigation Techniques (Fully-developed Project Document; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); NER/RIE/Food/2012/1; US\$ 9,990,000)

18. 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 *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;
- b) Suggest that BOAD 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 budget and budget notes should be presented in a consistent manner throughout the proposal and should clarify which activities will be covered as co-financing in the relevant sections of the proposal;
 - (ii) The project-level environmental and social management plan should take into account all the components of the project, beyond the 200 sub-projects to be funded. The Plan should provide a framework for systematic risk screening and management for the whole project;
 - (iii) The capacity of the beneficiaries to develop sub-project proposals for funding through the project and to carry out the environmental and social risk identification and assessment should be demonstrated, or the framework of support to carry out such activities should be better outlined in the proposal;
 - (iv) The criteria for the definition of marginalized and vulnerable groups should be clarified. Also, gender equity and women's empowerment should be ensured above the bonus system suggested in the subproject selection criteria;
 - (v) The budget allocated for the development and implementation of a large scale project does not seem adequate. The proponent should clarify if this output relates to the development of a proposal for a large scale project that will build on the lessons from this project; and
- c) Request BOAD to transmit the observations under item (b) to the Government of Niger.

(Decision B. 26/18)

Proposals from Multilateral Implementing Entities (MIEs)

Albania: Developing Climate Resilient Agriculture and Flood Management in Albanian Western Lowlands (Fully-developed Project Document; the World Bank; ALB/MIE/DRR/2015/1; US\$ 6,303,850)

19. 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 World Bank to the request made by the technical review;
- b) Suggest that the World Bank 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 climate projections and scenarios of increased occurrence of flood threats in the region;
 - (ii) The proposal should include evidence of consultation with municipalities, homeowners, farmers and businesses. The proposal argues that the government is the main beneficiary of the project, although the insurance schemes will require co-financing of premiums and pooling of risks from local communities such as farmers. Therefore it is important that the inputs of all stakeholders be taken, including the most vulnerable groups, *inter alia* small farmers, non-home owners living in the target areas;
 - (iii) To better demonstrate its cost effectiveness, the proposal should provide alternatives to the approach (including insurance schemes) proposed to address flood issues and climate-related threats to agriculture. This may include protection measures and more resilient agricultural practices, or diversified livelihoods;
 - (iv) The proposal should further demonstrate the adaptation reasoning of the insurance schemes;
 - (v) The "concreteness" of the proposed project should be better justified, including a justification of the use of a number of international consultants, which costs (around 40 per cent of the total budget) are quite high; and
- c) Request the World Bank to transmit the observations under item (b) to the Government of Albania.

(Decision B. 26/19)

Review of proposals under the pilot programme for regional projects and programmes

Pre-concepts:

Proposals from Regional Implementing Entities (RIEs)

Benin, Burkina Faso, Ghana, Niger, Togo: Promoting Climate-Smart Agriculture in West Africa (Project Pre-concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); AFR/RIE/Food/2015/1; US\$ 14,000,000)

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

- a) Endorse the project pre-concept, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;
- b) Request the secretariat to transmit to BOAD the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept should elaborate on the linkages of the proposed project with national and regional initiatives and programmes in the same region and sectors, and explain how it avoids duplication and is complementary with them. In doing so the concept should reflect the potential complementarity with the fully-developed project document for Niger submitted by BOAD for consideration by the Board;
 - (ii) The concept should further elaborate the added value of the regional approach in the project;
 - (iii) The concept should further explain how national institutions would contribute to or participate in the mainstreaming of innovative practices developed by this project;
 - (iv) The concept should explain how knowledge developed under the project could contribute to building up of adaptation knowledge at the international and regional levels, including through existing international and regional knowledge platforms;
- c) Approve the Project Formulation Grant of US\$ 20,000;
- d) Request BOAD to transmit the observations under item (b) to the Governments of Benin, Burkina Faso, Ghana, Niger, and Togo; and
- e) Encourage the Governments of Benin, Burkina Faso, Ghana, Niger, and Togo to submit through BOAD a project concept that would also address the observations under item (b) above.

(Decision B. 26/20)

Chile, Ecuador: Reducing climate vulnerability in urban and semi urban areas in cities in Latin America (Project pre-concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); LAC/RIE/DRR/2015/1; US\$ 11,216,508)

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

- a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- b) Suggest that CAF 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 further demonstrate the relevance of the regional approach, and should re-consider the decision to implement the project in two very different kinds of cities;
 - (ii) Upon justification of the regional approach, the proposed activities should be reformulated in order to achieve the regional objective, demonstrating innovation in the approach and clarifying the role of national institutions (including National Implementing Entity) in the implementation arrangements for the project; and
- c) Request CAF to transmit the observations under item (b) to the Governments of Chile and Ecuador.

(Decision B. 26/21)

Proposals from Multilateral Implementing Entities (MIEs)

Burundi, Kenya, Rwanda, Tanzania and Uganda: Adapting to Climate Change in Lake Victoria Basin (Project Pre-concept; United Nations Environment Programme (UNEP); AFR/MIE/Water/2015/1; US\$ 5,000,000)

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

- a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- b) Request the secretariat to transmit to UNEP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) At the concept stage, the proposal should explain how it will build from and not duplicate with past and existing initiatives looking at addressing climate change impacts and vulnerabilities in the Lake Victoria Basin (LVB);
 - (ii) The project concept should elaborate on how the long-term financial sustainability of the small grants programme will be ensured;
 - (iii) The project concept should include key elements of the regional Vulnerability, Impacts and Adaptation Assessment (VIA) under preparation through the PREPARED project, and if available, build on the LVB Commission (LVBC) Climate Change Adaptation Strategy and Action Plan;

- d) Approve the Project Formulation Grant of US\$ 20,000;
- e) Request UNEP to transmit the observations under item (b) to the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda; and
- f) Encourage the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda to submit through UNEP a project concept that would address the observations under item (b) above.

(Decision B. 26/22)

Colombia, Ecuador: Improving the Resilience to Reduce the Impacts of Climate Change on Dryland Ecosystems for Food and Nutrition Security and Gender Equality (Project Pre-concept; World Food Programme (WFP); LAC/MIE/Food/2015/1; US\$ 14,000,000)

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

- a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the World Food Programme (WFP) to the request made by the technical review;
- b) Suggest that WFP 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 further demonstrate the relevance and the added value of the regional approach;
 - (ii) Upon justification of the regional approach, the proposed activities should be reformulated in order to achieve the regional objective, demonstrating innovation in the approach; and
- c) Request WFP to transmit the observations under item (b) to the Governments of Colombia and Ecuador.

(Decision B. 26/23)

Cuba, Dominican Republic, Jamaica: Risk Reduction Management Centres: local adaptation response to national climate and early warning information in the Caribbean (Project Pre-concept; United Nations Development Programme (UNDP); LAC/MIE/DRR/2015/1; US\$ 4,969,367)

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

- a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;

- b) Request the secretariat to transmit to UNDP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) At the concept stage, the proposal should further explain, and if necessary reconsider, the decision not to have a regional data hub that would support the regional nature of the project;
 - (ii) The project concept should further elaborate how the proposal would represent innovation;
- c) Approve the Project Formulation Grant of US\$ 20,000;
- d) Request UNDP to transmit the observations under item (b) to the Governments of Cuba, Dominican Republic, and Jamaica; and
- e) Encourage the Governments of Cuba, Dominican Republic, and Jamaica to submit through UNDP a project concept that would also address the observations under item (b) above.

(Decision B. 26/24)

Ethiopia, Kenya, Uganda: Agricultural Climate Resilience Enhancement Initiative (ACREI) (Project Pre-concept; World Meteorological Organization (WMO); AFR/MIE/Food/2015/2; US\$ 5,000,000)

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

- a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- b) Suggest that WMO 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) To complement the capacity-building activities, the proposal could integrate in the project's approach, activities of support to the most vulnerable farmers in implementation of practices learned in the Field Schools, as well as support for investment in infrastructure for improved production of climate information;
 - (ii) The rationale for the regional approach needs to be better demonstrated; and
- c) Request WMO to transmit the observations under item (b) to the Governments of Ethiopia, Kenya and Uganda.

(Decision B. 26/25)

Mauritius, Seychelles: Restoring marine ecosystem services by rehabilitating coral reefs to meet a changing climate future (Project Pre-concept; United Nations Development Programme (UNDP); AFR/MIE/Food/2015/1; US\$ 4,900,000)

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

- a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;
- b) Request the secretariat to transmit to UNDP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept should explain how knowledge developed under the project could contribute to building up adaptation knowledge at the international and regional levels, particularly among Small Island Developing States (SIDS), including through existing international and regional platforms;
- c) Approve the Project Formulation Grant of US\$ 20,000; and
- d) Encourage the Governments of Mauritius and Seychelles to submit through UNDP a project concept.

(Decision B. 26/26)

Analysis of climate adaptation reasoning in project and programme proposals approved by the Board

27. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board decided to:

- a) Request the secretariat to:
 - (i) Finalize the report on the analysis of climate adaptation reasoning for its approval intersessionally between the twenty-sixth and the twenty-seventh meetings and before the 21st meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), taking into account comments made by the PPRC notably on the following issues:
 - 1) The analysis of adaptation reasoning within the wider development community should be broadened to include other development actors;
 - 2) The document should include more information with respect to the labelling of figures;
 - (ii) Produce a shortened and simplified version of the report before COP 21, that would be used for communication and outreach purposes;

- (iii) Promote the report including through events and through engagement with relevant institutions and through bodies under the United Nations Framework Convention on Climate Change; and
- b) Request the PPRC to consider further study as recommended in document AFB/PPRC.17/5, to deepen the analysis of climate change adaptation reasoning in projects and programmes of the Adaptation Fund at the 19th meeting of the PPRC.

(Decision B. 26/27)

Other matters

Grants for projects under the readiness programme

28. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to review intersessionally, between the twenty-sixth and twenty-seventh meetings of the Board, proposals submitted by National Implementing Entities for technical assistance grants and South-South cooperation grants under the Readiness Programme, and to submit the reviews to the PPRC for intersessional recommendation to the Board.

(Decision B. 26/28)

Proposed amendment of the Operational Policies and Guidelines

29. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to revise the operational policies and guidelines to amend the review process for small-size project and programme proposals so that:

- a) Small-size project and programme proposals can be submitted using a two-step review cycle, as an alternative to the one-step review cycle; and
- b) Small-size project and programme proposals are eligible for project formulation grants, at the time of endorsement of the concept for such proposal, provided that the total budget of the proposed concept is not less than US\$ 500,000.

(Decision B. 26/29)

Agenda Item 7: Report of 17th meeting of the Ethics and Finance Committee

Evaluation of the Fund

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

- a) The Chair of the Board supported by the secretariat to prepare a management response to the Evaluation of the Fund (stage I) for consideration by the Board during the intersessional period; and

- b) The secretariat to prepare options for conducting stage II of the evaluation (portfolio evaluation) for consideration by the EFC at its 18th meeting.

(Decision B. 26/30)

Effectiveness and efficiency of the accreditation process

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

- a) Note the status report on the Accreditation Panel and the secretariat's work to enhance effectiveness and efficiency of the accreditation process procedurally and substantively (Document AFB/EFC.17/4); and
- b) Request the Accreditation Panel and the secretariat to consider the relevant findings of the Evaluation of the Fund (stage I) and finalize their work and present a draft for consideration by the EFC at its 18th meeting.

(Decision B. 26/31)

Gender-related policies and procedures of the Fund

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

- a) Recognize the importance of streamlining and strengthening the integration of gender considerations in the policies and procedures of the Adaptation Fund;
- b) Welcome the draft Adaptation Fund gender policy as contained in Annex I of document AFB/EFC.17/5;
- c) Launch a public call for comments on the aforementioned policy with a deadline of 31 December 2015; and
- d) Request the secretariat to present, at the 27th meeting of the Board:
- (i) A revised proposal for an Adaptation Fund gender policy incorporating the inputs received from Board members and interested stakeholders through the public call for comments;
 - (ii) An action plan to operationalize an Adaptation Fund gender policy, including any necessary changes to the relevant Adaptation Fund policies and procedures;
 - (iii) A compilation of the comments received through the public call for comments; and
 - (iv) An estimate of the costs related to operationalizing the policy.

(Decision B. 26/32)

Annual performance report for the fiscal year 2015

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

- a) Approve the Adaptation Fund's Annual Performance Report for the fiscal year 2015 contained in document AFB/EFC.17/6/Rev.1;
- b) Take note of the report of the secretariat on the number of requests for direct project services (RDPS) requested by UNDP up to the end of fiscal year 2015;
- c) Request the secretariat to inform implementing entities (IEs) that the Board expects execution services provided by IEs to be submitted for consideration by the Board at the time of project approval, and such submissions to comply with the Board Decisions B.17/17 and B.18/30 on such services;
- d) Request IEs to clarify with partner executing entities the services that may be requested of the IEs before submission of fully-developed project/programme documents to the Board;
- e) Request that RDPS be submitted to the secretariat before an agreement is signed between the IE and the government or executing entity for the provision of those services;
- f) In cases where a request for direct project/programme services (RDPS) is submitted to the secretariat for a project/programme that has been already been approved by the Board, request that IEs submit all the relevant justification for the RDPS explaining how the costs were established, along with a letter from the Designated Authority of the Adaptation Fund for the country(ies) of the project/programme endorsing the RDPS;
- g) Request the Chair of the Board to discuss the matter with UNDP at the appropriate level; and
- h) Approve, on an exceptional basis, the provision by UNDP of Direct Project Services up to the amount of US\$ 100,000 for the project in Guatemala.

(Decision B. 26/33)

Complaint handling mechanism

34. Having considered the comments and recommendations of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to allow the Accreditation Panel more time to review the documentation submitted in relation to Complaint 001 and present its findings to the Ethics and Finance Committee at its 18th meeting.

(Decision B. 26/34)

*Financial issues**UNFCCC CER voluntary cancellation tool*

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

- a) The secretariat and the trustee to explore options for using the UNFCCC certified emission reduction (CER) Voluntary Cancellation Tool (VCT), including through advertising, and to report back to the EFC intersessionally;
- b) The secretariat to work with the UNFCCC secretariat in reaching out to additional potential large volume private buyers of CERs from Commitment Period 1 (CP1 CERs) and CERs from Commitment Period 2 (CP2 CERs) in the Adaptation Fund inventory, and once the secretariat identifies buyers, to put them in contact with the trustee; and
- c) The trustee to sell the CERs to buyers identified by the secretariat, subject to its Terms and Conditions and the Monetization Guidelines approved by the Board.

(Decision B. 26/35)

Other matters

Investment income

36. Having considered the comments and recommendations of the Ethics and Finance Committee, the Adaptation Fund Board decided to request the secretariat to present a document on investment income for consideration by the Ethics and Finance Committee at its 18th meeting, containing:

- a) A compilation of the practice/operational rules followed by other funds regarding investment income; and
- b) A proposal of guidelines on investment income accrued by implementing entities for the Adaptation Fund.

(Decision B.26/36)

Mechanism to receive returns of unspent project funds into the trust fund

37. Having considered the comments and recommendations of the Ethics and Finance Committee, the Adaptation Fund Board decided, for the purpose of facilitating the return of funds to the Adaptation Fund Trust Fund, to authorize the trustee to receive funds from implementing entities for deposit to the Adaptation Fund Trust Fund in accordance with the trustee's Terms and Conditions and procedures agreed between the trustee and secretariat.

(Decision B.26/37)

Agenda Item 8: Issues remaining from the 25th meeting

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

38. Recalling Decision B.25/26, the Adaptation Fund Board (the Board) decided to:
- a) Request the Chair and Vice-Chair of the Board and the secretariat, in consultation with the trustee, as appropriate, to continue the discussion with the Standing Committee on Finance (SCF) and the Green Climate Fund Co-Chairs and secretariat as outlined in Board Decision B.25/26, and to report back to the Board at its 27th meeting;
 - b) Invite the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its 11th session (CMP11) to:
 - (i) Provide guidance on the mandate of the Board to take decision on linkages between the GCF and the Adaptation Fund;
 - (ii) Invite the Conference of the Parties to the United Nations Framework Convention on Climate Change at its 21st session (COP21), in its guidance to the GCF, to request the GCF board to consider potential linkages between the GCF and the Adaptation Fund within the context of paragraphs 33-34 of the Governing Instrument of the GCF; and
 - c) Request the secretariat to update document AFB/B.26/5 based on the outcome of the COP21/CMP11 for full consideration by the Board at its 27th meeting.

(Decision B.26/38)

Agenda Item 9: Proposal to modify the country cap

39. The Adaptation Fund Board decided to request to the secretariat to prepare, for consideration by the Board at its 27th meeting, an analysis on how the country cap may be modified and the potential implications of that, taking into account the discussion at the present Board meeting.

(Decision B.26/39)

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

40. Following a discussion the Adaptation Fund Board decided to:
- a) Elect:
 - (i) Mr. Michael Jan Hendrik Kracht (Germany, Annex I Parties) as Vice-Chair of the Adaptation Fund Board;
 - (ii) Mr. Yerima Peter Tarfa (Nigeria, Africa) as Chair of the Project and Programme Review Committee;
 - (iii) Mr. Hugo Potti Manjavacas (Spain, Annex I Parties) as Vice-Chair of the Project and Programme Review Committee;

- (iv) Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties) as Chair of the Ethics and Finance Committee;
 - (v) Ms. Patience Damptey (Ghana, Non-Annex I Parties) as Vice-Chair of the Ethics and Finance Committee;
 - (vi) Ms. Yuka Greiler (Switzerland, Western European and Others Group) as Chair of the Accreditation Panel;
 - (vii) Mr. Philip S. Weech (Bahamas, Latin America and Caribbean States) as Vice-Chair of the Accreditation Panel; and
- b) Elect intersessionally the Chair of the Adaptation Fund Board.

(Decision B.26/40)

Agenda Item 14: Dates and venues of meetings in 2016 and onwards

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

- a) Its twenty-seventh meeting from 15 to 18 March 2016 in Bonn, Germany;
- b) Its twenty-eighth meeting from 4 to 7 October 2016 in Bonn, Germany;
- c) Its twenty-ninth meeting from 14 to 17 March 2017 in Bonn, Germany; and
- d) Its thirtieth meeting from 10 to 13 October 2017 in Bonn, Germany.

(Decision B.26/41)

Agenda Item 15: Other matters

Amendment of the EFC and PPRC terms of reference

42. The Adaptation Fund Board decided to amend the terms of reference of the Ethics and Finance Committee (EFC) and the Project and Programme Review Committee (PPRC) so that:

- a) The EFC would address issues concerning monitoring and evaluation at the fund level, including Adaptation Fund annual performance reports, and would no longer address issues concerning monitoring and evaluation of projects and programmes;
- b) The PPRC would address issues concerning monitoring and evaluation at the project and programme level; and
- c) The terms of reference of the EFC and the PPRC, as amended, are attached as Annex V to the present report.

(Decision B.26/42)