



ADAPTATION FUND

AFB/B.27/3
8 March 2016

Adaptation Fund Board
Twenty-seventh meeting
Bonn, Germany, 17-18 March 2016

Agenda item 6

REPORT ON ACTIVITIES OF THE SECRETARIAT

Background

1. This report lists the activities undertaken by the Adaptation Fund Board secretariat (the secretariat) during the period between the twenty-sixth and twenty-seventh meetings of the Adaptation Fund Board (the Board).

Finalization and posting of the report of the twenty-sixth Board meeting

2. Following the twenty-sixth meeting held in Bonn, Germany on 6-9 October, 2015, the secretariat supported the Chair in finalizing the report of the meeting. As agreed by the Board, the report was completed and circulated to Board members and alternates for comments and approval. The Board approved the report and it was posted on the website of the Adaptation Fund (the Fund) as document AFB/B.26/7.

Events and meetings

3. During the reporting period, the secretariat participated in, and presented at, the following events and meetings.

- (a) Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2-11) (19-23 October, 2015, Bonn, Germany).
- (b) The Seventeenth RedLAC Assembly (27-30 October, 2015, Panama City, Panama): A representative of the secretariat participated in the seventeenth RedLac Assembly as one of the three speakers in the second Panel session **Access to Financing: Opportunities for Environmental Funds by Accreditation with International Funds**. The moderator of the session was Mr. Alberto Paniagua, Executive Director of PROFONANPE, Peru which is the Fund's accredited NIE, and two other speakers include a manager of accreditation at Global Environmental Fund (GEF) and a regional advisor for Latin American and the Caribbean at Green Climate Fund (GCF). According to the result of the survey conducted at the end of the Assembly, this session was rated by some 180 participants as the best among seven Panel sessions. The annual RedLac Assembly is the most important event to the Network, providing opportunity to share knowledge and build new alliances among environmental funds in Latin American countries. Participating in the RedLac Assembly served as a good opportunity for the secretariat to raise awareness on Adaptation Fund, its accreditation process, and project development among the environmental funds, major financial institutions, and the conservation community. The successful Panel session where the secretariat participated as a speaker led to the increased interests of participating environmental funds in Adaptation Fund's direct access opportunities. The secretariat held bilateral meetings with different environmental entities of Paraguay, Madagascar, Mozambique, Suriname, and Guidea-Bisau, Guatemala, Belize, Peru during the RedLac Assembly upon their requests. These bilateral meetings allowed the secretariat to provide more explanation and guidance on the accreditation process and project development of the Fund.
- (c) 11th Meeting of the Green Climate Fund Board (2-5 November, 2015, Livingstone, Zambia): A member of the secretariat participated in this event that provided an opportunity to observe the work of the GCF Board, including its deliberations on the first funding proposals reviewed by the secretariat, resource mobilization and readiness. The meeting also offered an opportunity to have exchanges with

members of the Board, and representatives from governments, implementing entities, and non-governmental organizations.

- (d) Monitoring mission to project sites in Argentina and Uruguay (2-13 November, 2015, Argentina & Uruguay): Two representatives of the secretariat visited the direct access projects implemented in Argentina and Uruguay. The mission's objective was to consolidate lessons on the direct access experience and to collect lessons on adaptation of smallholder agriculture in countries facing similar risks. The findings and lessons learned from that mission will be presented during the present Board meeting;
- (e) The twenty-first session of the Conference of the Parties (COP) and the eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) (30 November – 11 December, 2015, Paris, France): secretariat manager and secretariat staff members participated in the above climate change summit in Paris, France. The secretariat followed and supported the discussions around the Fund at the COP, including the new Paris agreement, and supported the Chair in sessions that had relevance to the Fund. The team interacted with contributors, raised awareness of the Fund and met with a number of heads of delegation from developing countries to discuss potential engagement of their respective countries with the Fund, either through accreditation of an NIE or access to the Fund's resources. The secretariat arranged a side-event, which was very well attended and brought together high-level representatives of beneficiaries' governments (H.E. Luis Felipe Arauz Cavallini, Minister of Agriculture and Livestock, Costa Rica), representatives from country-level National Implementing Entities (namely *Fundecooperacion para el Desarrollo Sostenible*, Costa Rica; Micronesia Conservation Trust, Federated States of Micronesia; National Bank for Agriculture and Rural Development, India; and the South African National Biodiversity Institute, South Africa), and civil Society (ForumCC Tanzania) to discuss their experiences with the Fund's direct access modality, success stories and lessons learned from the accreditation process as well as preparation of climate change adaptation project proposals and implementation of approved projects on the ground. In terms of resource mobilization, the Fund has received pledges from a new donor, Italy (EUR 2 million), and from Sweden (150 SEK, around USD 17 million), Germany (EUR 50 million, around USD 54.5 million), and Wallonia (EUR 1 million). The contributor dialogue organized by the secretariat was an opportunity for contributors to further their interests in funding activities that deliver concrete adaptation actions on the ground, and to engage with beneficiary countries'.
- (f) Ninth meeting of the UNFCCC Adaptation Committee (1-3 March 2016, Bonn, Germany): A member of the secretariat participated this meeting as an observer. The agenda of the meeting included, *inter alia*, revising the committee's work plan for 2016-2018, supporting the implementation of the Paris outcomes, and improving coherence and collaboration under the Convention. Of perhaps most direct relevance to the Fund was the discussion on inviting the Board and certain other bodies under the Convention to join the National Adaptation Plan (NAP) Task Force of the Committee, which may happen after the organization of the first Technical Examination Meeting on Adaptation in May 2016 in the sidelines of the forty-fourth sessions of the subsidiary bodies of the Convention.
- (g) Twelfth meeting of the Green Climate Fund Board (Songdo, South Korea, 8-10 March 2016): A member of the secretariat attended the meeting.

Preparations for the twenty-seventh Board meeting

Meeting arrangements

4. The secretariat issued letters of invitation to the Board members and alternates, and made travel arrangements for eligible Board members.

Meeting documents

5. The secretariat, working closely with the Board and Committee Chairs and Vice-Chairs, and the trustee, prepared the documents for the twenty-seventh Board meeting and for the eighteenth meetings of the Project and Programme Review Committee (PPRC), and of the Ethics and Finance Committee (EFC).

6. The full list of documents is contained in document AFB/B.27/Inf.1, List of documents.

Membership of the Board

7. The following includes a list of the changes in the membership of the Board:

- (a) Ms. Gabriela Popescu (Romania), Member for the Eastern Europe Constituency, resigned from the Board. She was replaced by Monika Kusmierczyk (Poland);
- (b) Mr. Antonio Navarra (Italy) was elected Member for the Western European and Other Countries Group;
- (c) Mr. David Kaluba (Zambia) was elected Member representing the African Group and Mr. Admasu Nebebe (Ethiopia) was elected as his Alternate;
- (d) Mr. Mirza Sawkat Ali (Bangladesh) was elected Member representing the Asian constituency and Mr. Nasser Moghadassi (Iran) was elected as his Alternate;
- (e) Ms. Ardiana Sokoli (Albania) was elected as Alternate Member representing Eastern Europe;
- (f) Mr. Lucas Di Pietro (Argentina) was elected Member representing the Group of Latin American and Caribbean Countries;
- (g) Mr. Hugo Potti Manjavacas (Spain), Alternate Member for the Annex I constituency, resigned in February 2016. The nomination of his replacement is being considered by the constituency;
- (h) Ms. Ding Ding (China) was elected as Alternate member representing the Non-Annex I constituency; and
- (i) Mr. Ewans Nijewa (Malawi) was elected as Alternate Member representing the Least Developed Countries.

Intersessional decisions approved by the Board

8. The secretariat, in consultation with the Board Chair and Vice-Chair, prepared and circulated draft decision texts, of which twenty-six were approved by the Board during the intersessional period. All the decisions listed below have been posted on the Fund website.

- B.26-27/1: Approval fourth tranche project Georgia (UNDP)
- B.26-27/2: Approval fourth tranche project Mauritius (UNDP)
- B.26-27/3: Approval of the updated analysis of climate adaptation reasoning in project and programme proposals
- B.26-27/4: Approval of sixth tranche of funds and request for extension of project completion date - Honduras (UNDP)
- B.26-27/5: Approval second tranche project Cuba (UNDP)
- B.26-27/6: Approval third tranche project Djibouti (UNDP)
- B.26-27/7: Approval fourth tranche project Solomon Islands (UNDP)
- B.26-27/8: Approval fourth tranche project Cook Islands (UNDP)
- B.26-27/9: Approval fourth tranche project Turkmenistan (UNDP)
- B.26-27.10: Approval Technical Assistance Grant Senegal (CSE)
- B.26-27.11: Approval Technical Assistance Grant Benin (FNE)
- B.26-27.12: Approval Technical Assistance Grant Panama (*Fundación Natura*)
- B.26-27.13: Approval Technical Assistance Grant Costa-Rica (*Fundecooperación*)
- B.26-27.14: Approval Technical Assistance Grant Federated States of Micronesia (MCT)
- B.26-27.15: Approval Technical Assistance Grant South Africa (SANBI)
- B.26-27.16: Approval South-South Cooperation Grant Guinea (CSE)
- B.26-27.17: Approval South-South Cooperation Grant Mali (CSE)
- B.26-27.18: Approval South-South Cooperation Grant Sierra Leone (CSE)
- B.26-27.19: Approval South-South Cooperation Grant Malawi (NEMA)
- B.26-27.20: Approval South-South Cooperation Grant Mali (NEMA)
- B.26-27.21: Approval of second tranche of project in Argentina (UCAR)
- B.26-27.22: Approval of budget revision, UNEP (Madagascar)
- B.26-27.23: Accreditation of Caribbean Development Bank (CDB) as Regional Implementing Entity (RIE)
- B.26-27.24: Accreditation of MOFED as National Implementing Entity (NIE)
- B.26-27.25: Re-accreditation of IFAD as Multilateral Implementing Entity (MIE)
- B.26-27/26: Approval of the management response to the Evaluation of the Fund (stage 1)

Implementation of decisions adopted by the Board at its twenty-sixth meeting and during the ensuing intersessional period

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

9. The secretariat informed multilateral implementing entities (MIE) and regional implementing entities (RIE) 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 Board at its twenty-seventh meeting, - taking into consideration the cap established by decision B.25/28.

10. The secretariat also posted on the website a list of those countries that are eligible for inclusion in projects and programmes being submitted by each RIE.

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

11. The secretariat finalized the report on the analysis of climate adaptation reasoning for its approval intersessionally between the twenty-sixth and the twenty-seventh meetings and before COP 21/CMP 11, taking into account comments made by the PPRC, produced a shortened and simplified version of the report that would be used for communication and outreach purposes, and promoted the report through events and engagement with relevant institutions and through bodies under the United Nations Framework Convention on Climate Change.

Grants for projects under the readiness programme

12. The secretariat reviewed intersessionally, between the twenty-sixth and twenty-seventh meetings of the Board, proposals submitted by national implementing entities (NIE) 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.

Proposed amendment of the operational policies and guidelines

13. The secretariat revised 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.

Evaluation of the Fund

14. The secretariat supported the Chair of the Board to prepare a management response to the Evaluation of the Fund (phase I), which was approved by the Board during the intersessional period. The secretariat also prepared options for conducting phase II of the evaluation (portfolio evaluation) contained in document AFB/EFC.18/3, for consideration by the EFC at its eighteenth meeting.

Effectiveness and efficiency of the accreditation process

15. The secretariat, in cooperation with the Accreditation Panel, considered the relevant findings of the evaluation of the Fund (phase I) and finalized the draft contained in document AFB/EFC.18/4, for consideration by the EFC at its eighteenth meeting.

Gender-related policies and procedures of the Fund

16. The secretariat, in accordance with decision B.26/32, launched a public call for comments on the aforementioned policy with a deadline of 31 December 2015; and prepared a revised proposal for a gender policy incorporating the inputs received from Board members and interested stakeholders through the public call for comments, an action plan to operationalize the gender policy, including any necessary changes to the relevant policies and procedures, a compilation of the comments received through the public call for comments; and an estimate of the costs related to operationalizing the policy.

Annual performance report for the fiscal year 2015

17. As per decision B.26/33, the secretariat informed 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. The secretariat also supported the Chair's meeting with UNDP to discuss the matter of direct project/programme series (RDPS) on 18 November, 2015 and produced the report contained in document AFB/EFC.18/6 for consideration by the EFC at its eighteenth meeting.

Investment income

18. Following the mandate in decision B.26/36, the secretariat prepared document AFB/EFC.18/10, investment income earned by implementing entities, for consideration by the EFC at its eighteenth meeting. The document contains a compilation of the practice/operational rules followed by other funds regarding investment income.

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

19. The secretariat, in cooperation with the Chair and Vice-Chair of the Board, 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 twenty-seventh meeting. The secretariat also updated document AFB/B.26/5 based on the outcome of the COP21/CMP11 for full consideration by the Board at its twenty-seventh meeting. The updated information is contained in document AFB/B.27/6.

Proposal to modify the country cap

20. The secretariat prepared, for consideration by the Board at its twenty-seventh 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. The analysis is contained in document AFB/B.27/8.

Communications

21. The secretariat continued to tell the Fund's story in clear, compelling and engaging ways across a full range of multimedia platforms. Since the last Board meeting, 11 news releases have been created and published on topics such as new finance readiness seminars and webinars, new accreditations, record numbers of project proposals, new approvals, COP21 activities including new pledges, plenary speeches highlighting the Fund's value and effectiveness, and the Fund's ultimate inclusion in the language accompanying the Paris Agreement. New project stories on Mongolia and Uruguay have also been created with materials translated or currently in process to French and Spanish. A new detailed profile has also been drafted on new incoming board leadership. Assertive media outreach efforts were undertaken in the run-up to COP21 and through COP 21/ CMP 11 to further highlight the Fund's effective concrete projects in developing countries, with the secretariat or Fund appearing on media panels and in many media stories. These included Devex, WRI, Thomson Reuters Foundation, Carbon Pulse, Voice of America, Radio France International, ECO NGO Network Newsletter, AllAfrica, RivesAfricaines, RTS1 Senegal TV and Radio, News Ghana, La Ruta Del Clima, Radio Nacional de

Colombia, Radio America-Honduras, RPP Noticias-Peru, La Noticia and El Rancaguino-Chile, Radio Cordial, Corrientes de Pensamiento and Pampero TV in Argentina, El Mercurio and El Telegrafo in Ecuador, among others. Many targeted sets of talking points in multiple languages were also created as preparation for media interviews or high profile appearances.

22. The secretariat greatly expanded use of its multimedia tools to further promote the Fund's work, producing 8 new country Project videos, 15 new NIE videos, and 3 new AF-focused COP21 post-Paris videos in English, Spanish and French focused on implementing the Agreement and tied into a large UNFCCC campaign. One of those videos alone drew a high of 42 engagements in a single Tweet. In addition, the secretariat updated and enhanced its Flickr photo sharing webpage, adding three new albums with country project photos from Djibouti, Rwanda and Mauritius.

23. The secretariat established a new LinkedIn Adaptation Fund page to add a searchable high-level professional networking presence to the Fund's online tools. This adds a social media platform for sharing thought leadership content. Having a LinkedIn page further enhances the Fund's credibility and will facilitate executive contacts and partnerships.

24. The secretariat continued its strategic approach to social media launched last August, with overwhelming responses. Twitter has grown by more than 1,100 followers since the strategy launched - to 5,073 as of March 7. It has served as an invaluable resource to share the Fund's stories and that of its partners, as well as to leverage the many good comments received about the Fund. It proved invaluable during COP21, for example, where partners such as UNFCCC, NIEs and NGOs praised the Fund for its effectiveness or helped push for new pledges. In December alone, the Fund's twitter feed received highs of 2,782 profile visits, 53,200 tweet impressions, and 137 mentions. Facebook has a solid community of nearly 10,500 that is active and responsive in a positive way with many likes and shares to the more assertive, active approach to social media, as well.

25. The secretariat established a new comprehensive COP21 webpage in the run-up to the Paris negotiations, to serve as a one-stop information spot for viewers of all of the Fund's planned activities at COP as well as a source for updated information, news and results as it came out regarding the Fund. In addition, for the first time the Fund established an interactive multimedia exhibit at COP21 that featured a revolving video about Fund projects in several countries, several enlarged photos with detailed captions depicting a cross-section of projects and sectors in the field, and several giveaways with the Fund branding. The secretariat also organized a well-received side event during COP21 featuring several NIE presenters sharing experiences and best practices, as well as civil society that drew a standing-room only audience, and a Contributor Dialogue where a number of new pledges were announced for the Fund.

26. The secretariat continued to foster positive relations with key climate networks and media. This included consistent outreach to Climate L, CDKN, ECO, and key social media and communications interactions with UNFCCC, the Thomson-Reuters Foundation, UN Foundation, the Guardian, Voice of America, country-level media, and communications networks of NIEs, MIEs and RIEs to cross-promote the Fund's work. The Fund continues to get news and key announcements republished on its micro-site, Climate Finance Ready, as well as Climate L's monthly Climate Finance Update.

27. The secretariat regularly updated its informational flyers, including its overall brochure and Direct Access print and web pamphlets in English, French and Spanish, as well as a targeted internal resource mobilization flyer to be shared among COP21 stakeholders. There has been a positive development in most of the website key performance indicators and the secretariat continues to develop the website further. In addition, the secretariat is in the process of updating its large, pull-up display posters for use at workshops and other high-visibility events.

28. The secretariat has submitted an application for a Side Event at the UN Climate Change Conference (SB44) for 23 May 2016. The theme would focus on the Fund's range of flexible finance modalities and include representatives from NIEs, MIEs, RIEs and civil society, as well as AF to speak on experiences with concrete examples.

29. In addition, the secretariat is organizing a new Photo Contest centered on the adaptation themes of sustainable water and land approaches that will have an interactive focus, and seek to involve all AF country and IE stakeholders as well as the general public.

30. The secretariat continued to retain the services of an IT consultant firm, REI Systems, to continue repairs and regular maintenance of the Accreditation password-protected website. The secretariat also retained the services of IT consultants to build the new website on an updated and stable platform, closely following the foundational documents (e.g. "blueprint") for the site, and working through the World Bank Group (WBG)'s security and content reviews, as well as providing troubleshooting post-launch. The IT consultant also performed this work for the Climate Finance Ready microsite. The consultant firm REI Systems is being engaged to maintain both websites in FY16 and keep them compliant with World Bank Group (WBG) security and content requirements.

Support to the Accreditation Panel

31. The secretariat worked closely with the Panel Chair and Vice-Chair and assisted the Panel in its discussions. The twenty-first Panel meeting was held on 26-27 January 2016 in Washington DC, USA. The Panel reviewed applications for accreditation and re-accreditation and efficiency and effectiveness of the accreditation process. The secretariat facilitated the Panel's completion of their reviews on two accreditation applications and one re-accreditation applications. Two entities (Ethiopian Ministry of Finance and Economic Development and the Caribbean Development Bank (CDB) as the twenty-first National Implementing Entity and the sixth Regional Implementing Entity of the Fund respectively) and one entity (the International Fund for Agricultural Development (IFAD)) was re-accredited through intersessional decisions (Decision B.26-27/23, Decision B.26-27/24 and Decision B.26-27/25). The Panel also continued its review of the applications of ten National Implementing Entity (NIE) candidates and one Regional Implementing Entity (RIE) candidates.

32. In line with the Board decision B.26/31, the secretariat prepared in collaboration with the Accreditation Panel, the document Efficiency and Effectiveness of the Accreditation Process (AFB/EFC.18/4) and will present for consideration by the EFC at its eighteenth meeting. The document consists of the main text and two Annexes: (i) Annex I—Accreditation Timeline Checklist; and (ii) Annex II—Guidance for the Accreditation Process. The secretariat facilitated the Panel's completion of their accreditation review on the Partnership for Governance Reform (Kemitraan) of Indonesia and the Dominican Institute of Integral Development (IDDI) of Dominican Republic. As of the date of issuance of this document, the Panel reached a consensus to recommend the Kemitraan and IDDI as the

twenty-second and twenty-third NIEs of the Fund respectively, and the Panel's recommendations will be presented to the Board at its twenty-seventh meeting. The Panel's final reports on the applications of Kemitraan and IDDI are contained in document AFB/B.27/4.

33. Since the inception of the accreditation process, the secretariat has received and screened 98 applications: 74 from non-Annex I Parties, 11 from regional organizations and 13 from multilateral organizations and development banks. The Panel has so far reviewed 66 applications: 44 from non-Annex I Parties, nine from regional organizations and development banks, and 13 from multilateral organizations and development banks.

Table 1: Status of accreditation applications submitted to the secretariat as of 4 March 2016

	NIE	RIE	MIE
Accredited	21	6	12
Not accredited	8	1	0
Under review by Accreditation Panel	10	1	0
Screened by secretariat pending completion of accreditation application	3	0	0

(Table does not include unscreened, withdrawn, or closed applications)

Screening/technical review of project/programme proposals

34. The secretariat screened and prepared technical reviews of three fully developed single-country project documents and nine single-country project concepts, as well as two regional project concepts and six regional project pre-concepts received during the reporting period. In performing this task, the dedicated team of officials of the secretariat was supported by GEF secretariat technical staffs and an environmental and social expert.

Review of Project Performance Reports (PPRs)

35. The Secretariat has completed the review and cleared the first Project Performance Report (PPR) for the project implemented in Cuba (UNDP, inception date: September 2014), the second PPRs for the projects implemented in Argentina (UCAR, inception date: October 2013), Cambodia (UNEP, inception date: 21 May 2013), Djibouti (UNDP, inception date: March 2013) and Madagascar (UNEP, inception date: October 2012) and, the third PPRs for the projects implemented in Cook Islands (UNDP, inception date: July 2012), Georgia (UNDP, inception date: July 2012), Mauritius (UNDP, inception date: August 2012) and Turkmenistan (UNDP, inception date: May 2012), the fourth PPR for the projects implemented in Honduras (UNDP, inception date: June 2011) and Solomon Islands (UNDP, inception date: June 2011). The projects in Argentina and Honduras separately requested the Board to approve the extension of the project completion dates. In addition, the PPR for Madagascar was submitted together with a request to the Board to approve a budget revision. The secretariat submitted these reports and corresponding reviews to the Board, and the Board approved through intersessional decisions subsequent financing tranches for the projects in Argentina, Cook Islands, Cuba, Djibouti, Georgia, Honduras, Mauritius, Solomon Islands and Turkmenistan, and approval of budget revision for Madagascar (Decision B.26-27/22). The PPRs were also made publicly available on the Fund's website. The secretariat is continuing the review of PPRs for projects in Maldives (UNDP), Mauritania (WFP), Papua New Guinea (UNDP) and the United Republic of Tanzania (UNEP).

Personnel

36. Mr. Farayi Madziwa, Program Officer (Readiness programme), joined the secretariat on 2 November, 2015. Ms. Silvia Mancini, Operations Officer (Accreditation) joined the secretariat on 11 January, 2016