



ADAPTATION FUND

AFB/EFC.18/8
8 March 2016

Ethics and Finance Committee
Sixteenth meeting
Bonn, Germany, 15-16 March 2016

Agenda item 10 c)

WORK PLAN FOR FISCAL YEAR 2017

Background

1. At its twenty-fifth meeting the Adaptation Fund Board (the Board) approved the work plan for the fiscal year 2016 (FY16: 1 July 2015 – 30 June 2016). The present document summarizes the actions and decisions taken by the Board in the period 1 July 2015 – 25 February 2016 (the reporting period) in compliance with the approved work plan for FY16. During the period covered, the Board convened at its twenty-sixth meeting, which took place on 8-9 October 2015. This document presents a proposed work plan for FY17, prepared by the secretariat and in accordance with the mandate that the Board received from the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP) and decisions adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) and the Board, for consideration by the Ethics and Finance Committee (EFC).

2. The work plan for the next fiscal year is generally presented at the last Board meeting of the fiscal year. The proposed work plan for FY17 is therefore being presented for Board approval at the Board's twenty-seventh meeting to be held on 17-18 March 2016.

Compliance with work plan for FY16

3. During FY16 and as of the date of issuance of this document the Board has fulfilled the following functions mandated by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in decisions 1/CMP.3 and 1/CMP.4:

- The Board has accredited two National Implementing Entities (NIEs), two Regional Implementing Entities (RIEs), and one Multilateral Implementing Entity (MIE) and re-accredited four MIEs, thereby extending the opportunity to access resources through the direct access modality to a total of 21 NIEs and six RIEs to date.
- The Board has approved three projects/programmes for funding for a total amount of US\$ 12.3 million, endorsed two project concepts submitted by NIEs and their related project formulation grants totaling US\$ 58,400, and 11 readiness grant proposals for a total amount of US\$ 360,347. The total amount of funds disbursed during the reporting period is US\$ 12.4 million. Additionally, the Board has endorsed for the first time, four pre-concepts for proposals under the pilot programme for regional projects including the related project formulation grants totaling US\$ 80,000.
- It is worth noting that the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) at its twenty-first meeting (COP 21) decided to adopt the Paris Agreement¹. The COP, in paragraphs 60 and 61 of decision 1/CP.21, which adopted the Paris Agreement:

60. Recognizes that the Adaptation Fund may serve the Agreement, subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement; and

¹ Decision 1/CP.21 available at: <http://unfccc.int/resource/docs/2015/cmp11/eng/08a01.pdf>

61. *Invites the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to consider the issue referred to in paragraph 60 above and make a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;*
- Pursuant to paragraphs 60 and 61 of decision 1/CP.21, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eleventh session (CMP11) approved decision 1/CMP.11, *Report of the Adaptation Fund Board*, in which it decided to:
 - 8 *Recommend[s] that the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its first session, consider that the Adaptation Fund may serve the Paris Agreement, in accordance with paragraphs 60 and 61 of decision 1/CP.21²;*
 9. *Invite[s] the Conference of the Parties, at its twenty-second session (November 2016), to request the Ad Hoc Working Group on the Paris Agreement to undertake the necessary preparatory work concerning the issue referred to in paragraph 8 above and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for its consideration and adoption no later than at its fifteenth session (November 2019);*
 - In its Decision 1/CMP.11 the CMP also decided to:
 5. *Request[s] the Adaptation Fund Board to continue its efforts to simplify accreditation procedures for national implementing entities and to report back on its progress to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session (November 2016);*
 11. *Request[s] the Board to provide in its reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol further information on the status of the portfolio of the Adaptation Fund, including projects at different stages of development.*
4. The following actions derived from Board decisions and included in the work plan for FY16 were also implemented during the reporting period:
- Phase II of the readiness programme was implemented and the secretariat will present a progress report at this meeting, which is contained in document AFB/B.27/7;
 - The Board has intersessionally approved the management response to the evaluation of the Fund – phase I (Decision B.26-27/26). Options for the second phase of the evaluation of the Fund will be presented to the Ethics and Finance Committee at its eighteenth session (15-16 March 2016), and are contained in document AFB/EFC.18/3;

² Draft decision proposed for adoption under agenda item 4(b) of the Conference of the Parties.

- The Board at its twenty-seventh meeting will consider a proposal to enhance the efficiency and effectiveness of the accreditation process (decision B.26/31);
 - The Board continued implementing the Fund's resource mobilization strategy in order to achieve the fundraising target of \$ 80 million per year in 2014 and 2015. As a result of these actions the Fund raised during FY16 ca. US\$ 75 million³ counting towards the fundraising target of 2015;
 - The Board continued its ongoing discussion on linkages between the Fund and the Green Climate Fund.
5. At each session of the CMP the Board is requested to report on its activities (decision 1/CMP.3, paragraph 5 (I)).
6. In addition to the actions mandated by the CMP and by previous Board decisions included in the work plan for FY 16, the Board:
- Considered gender-related policies and procedures of the Fund (decision B.25/21) and requested the secretariat to present at its twenty-seventh meeting a revised gender policy incorporating inputs received through a public call for comments; an action plan to operationalize the policy; a compilation of the comments received; and an estimate of the costs related to operationalizing the policy (decision B.26/32);
 - Considered an analysis prepared by the secretariat at the request of the PPRC, 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). Subsequently (decision B.26-27/3) the Board has approved such analysis and requested the PPRC to consider further study as recommended in document AFB/PPRC.17/5, in order 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);
 - Decided to consider how the US\$ 10 million cap per country could be modified and its potential implications based on an analysis to be presented by the secretariat at the twenty-seventh meeting (decision B.26/39). This analysis is contained in document AFB/B.27/8.
7. The Board has also decided to continue with ongoing activities of supervision on its advisory bodies, the two Board Committees and the Accreditation Panel, and its portfolio:
- The Committees shall report annually to the Board on their performance, including meeting attendance and effectiveness (General guidelines for Committees, paragraph 17). The Committees' reports are merged into the annual report of the Board to the CMP;

³ This includes US\$ 56.8 million in paid-in contributions, and ca. US\$eq. 19.0 million in outstanding pledges.

- The secretariat shall prepare and present an *Adaptation Fund Annual Performance Report (AFAPR)* under the direction of the EFC for the Fund level portfolio outcome monitoring.⁴
- Review and amendment of the operational policies and guidelines:

Proposal of work plan for FY17

8. Based on the above, the secretariat presents to the EFC the work schedule, as contained in the annex to this document. The routine activities of the Board (i.e. CER monetization issues, consideration and approval of project proposals) are not included in the work schedule. Other actions can be added as a result of the decisions adopted by the Board at this meeting.

Recommendation

9. The EFC may wish to consider and recommend to the Board for approval the draft work plan for FY17 and the tentative work schedule, as contained in document AFB/EFC.18/8.

⁴ An Approach to Implementing Results Based Management – RBM, Annex IV to Report of the tenth meeting of the Adaptation Fund Board, paragraph 24.

DRAFT WORK PLAN FY17: TENTATIVE WORK SCHEDULE

Intersessional period (March – October 2016)

- Organization of the twenty-second and twenty-third meetings of the Accreditation Panel;
- Consideration of the report from the twenty-second meeting of the Accreditation Panel;
- Consideration of the draft report to CMP 12, including information on simplifying the accreditation procedures for National Implementing Entities and further information on the status of the portfolio of the Adaptation Fund requested by decision 1/CMP.11;
- Intersessional review of and decisions on project and programme proposals;
- Launch of Phase II of the Overall Evaluation of the Adaptation Fund;
- The second portfolio monitoring mission for FY16, to Mongolia (to be confirmed);
- First portfolio monitoring mission for FY17 (planned missions include Egypt, Morocco, Rwanda, and either combined Papua New Guinea and Solomon Islands mission or combined Georgia and Turkmenistan. However, the specific projects will be confirmed intersessionally);
- Launch of the climate finance readiness programme for FY17 and organization of two climate finance readiness workshops (one for the Middle East and North Africa region and one for the Asia and Asia Pacific region);
- Third climate finance readiness seminar in Washington DC for NIEs in June;
- Third webinar for peer-to-peer learning; and
- Implementation of efficiency and effectiveness of the accreditation process (based on the accreditation timeline checklist and guidance for the accreditation process).

Twenty-eighth meeting: 4-7 October 2016

- Consideration of the Annual Performance Report: FY16;
- Consideration of the report from the twenty-third meeting of the Accreditation Panel;
- Report of portfolio monitoring mission(s) covering FY16 and FY17 (Mongolia, other country(ies) to be determined);
- Progress report on the readiness programme (including reconciliation of budget for Phase II).

Intersessional period (October 2016 – March 2017)

- Organization of the twenty-fourth meeting of the Accreditation Panel;
- Second portfolio monitoring mission based on the planned missions for FY17 (target projects to be confirmed intersessionally);
- Organization of two climate finance readiness workshops;
- Intersessional review of and decisions on readiness grant proposals;
- Development of one or two Case Studies on Direct Access;
- Facilitate Fund's accredited entities convening at relevant meetings; and
- Fourth webinar for peer-to-peer learning.

Twenty-ninth meeting: 14-17 March 2017

- Consideration of the report from the twenty-fourth meeting of the Accreditation Panel;
- Proposal of budget FY18;
- Proposal of work plan FY18;
- Progress report on the readiness programme; and
- Report of portfolio monitoring missions covering FY17.

Intersessional period (March - June 2017)

- Intersessional review of and decisions on project and programme proposals;
- Consideration of the fourth round of Readiness Grants;
- Organization of one climate finance readiness seminar;
- Portfolio monitoring mission (target project(s) to be confirmed intersessionally);
- Facilitate Fund's accredited implementing entities convening at relevant meetings;
- Fifth webinar for peer-to-peer learning; and
- Organization of the twenty-fifth meeting of the Accreditation Panel.