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| **CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL** | | | | |
| **Twelfth session** | | | | |
| **Marrakech, 7-18 November 2016** | | | | |
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| **Item ... of the provisional agenda** | | | | |
| **Adaptation Fund** | | | | |
| **Report of the Adaptation Fund Board** | | | | |
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**Report of the Adaptation Fund Board**

**Note by the Chair of the Adaptation Fund Board**

*Summary*

This report has been prepared in response to decision 1/CMP.3 requesting the Adaptation Fund Board to report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and covers the period from 1 August 2015 to 30 June 2016. The Chair will report orally to the CMP at its twelfth session on activities carried out from 1 July to 31 October 2016. The report provides information on progress made with respect to the Adaptation Fund, in particular on the implementation of tasks mandated by the CMP, and recommends actions to be taken by the CMP, as appropriate. The report contains, inter alia, a draft decision for consideration by the CMP, in accordance with decision 1/CMP.3, paragraph 8 of decision 2/CMP.10 and paragraphs 8 and 9 of decision 1/CMP.11. It also contains information on decisions and actions taken by the Adaptation Fund Board to be noted by the CMP.

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**I. Introduction**

* 1. Mandate
     + 1. The Conference of the Parties (COP), at its seventh session, agreed to the establishment of the Adaptation Fund (the “Fund”).[[1]](#footnote-1) The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its third session, decided that the operating entity of the Adaptation Fund would be the Adaptation Fund Board (the “Board”), serviced by a secretariat and a trustee (the “trustee”).[[2]](#footnote-2)
       2. By its decision 1/CMP.3, the CMP requested the Board to report on its activities at each session of the CMP. It further invited the Global Environment Facility (GEF) to provide secretariat services to the Board, and the International Bank for Reconstruction and Development (the “World Bank”) to serve as the trustee for the Fund, both on an interim basis.
  2. Scope of the note
     + 1. This report provides information on progress made by the Fund, in particular on the implementation of the mandate from the CMP, and recommends actions to be taken by the CMP, as appropriate. Except where otherwise noted, the report covers the period from 1 August 2015 to 30 June 2016.
  3. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session
     + 1. The CMP may wish to take note of the information contained in this report and consider adopting the draft decision contained in Annex I, which includes:
          1. The renewal of the interim institutional arrangements with the Global Environment Facility (GEF) as the interim secretariat of the Board for additional three years, from 30 May 2017 to 30 May 2020;
          2. The amendment to the Amended and Restated Terms and Conditions of Services to be provided by the International Bank for Reconstruction and Development as Trustee of the Adaptation Fund in order to extend the terms of the trustee’s services for additional three years, from 30 May 2017 to 30 May 2020;
          3. The information provided in addition to paragraphs 8 and 9 of decision 1/CMP.11 regarding the value that the Adaptation Fund may add to the Paris Agreement to be forwarded to the Conference of the Parties to the United Nations Framework Convention on Climate Change at its twenty-second session.
       2. The Board invites the CMP to take note of the following key events, actions and decisions, taken in accordance with decision 1/CMP.4, paragraph 10:
          1. During the reporting period 3 national implementing entities (NIEs) that can directly access resources from the Adaptation Fund were accredited. In addition, 2 regional implementing entities (RIEs) were accredited. As at the date of this report, the total number of accredited implementing entities amounted to 24 NIEs,[[3]](#footnote-3) 6 RIEs and 12 MIEs. In particular 4 NIEs from LDC and 6 NIEs from SIDSs have been accredited. A total of 9 accredited implementing entities have been re-accredited among 42 accredited implementing entities of the Fund: 2 NIEs, 1 RIE, and 6 multilateral implementing entities (MIEs).
          2. Cumulative receipts into the Adaptation Fund trust fund reached US$ 546.9 million, comprising US$ 196.6 million from the monetization of certified emission reductions (CERs), US$ 344.8 million from additional contributions and US$ 5.6 million from investment income earned on trust fund balances (as at 30 June 2016);
          3. Cumulative project and programme approvals reached US$ 338.5 million (as at 30 June 2016);
          4. Institutionalization of the readiness programme for direct access to climate finance as a permanent component of the Fund’s operations and approval of US$ 242,347 in South-South cooperation grants for Guinea, Malawi, Mali, Sierra Leone and Zimbabwe, and US$ 118,000 in technical assistance grants for Benin, Costa Rica, the Federated States of Micronesia, Panama, Senegal and South Africa;
          5. Endorsement of the first concepts and pre-concepts under the pilot programme for regional projects/programmes;
          6. Approval of the Gender Policy and Action Plan of the Adaptation Fund
          7. Ongoing discussion on linkages between the Fund and the Green Climate Fund;
          8. Funds available for new funding approvals amounted to US$ 168.6 million at 30 June 2016;
          9. Approval of six project/programme proposals submitted by implementing entities with the total amount of US$ 36.8 million, including four proposals submitted by the National Implementing Entities for Chile, India (2) and Peru with the amount of US$ 19.2 million. The other two approved proposals were submitted by Regional Implementing Entities with a total amount of US$ 17.6 million;
          10. Contributions received during the reporting period amounted to USD 59.8 million, from Germany, Italy, and the Walloon Region, including US$ 1,528 pertaining to private online donations transferred by the United Nations Foundation;
          11. As of 30 June 2016, a total of US$ 17.8 million in pledges were outstanding.
          12. The fact that, in case of an early entry into force of the Paris Agreement, the timelines of paragraphs 59-60 of decision 1/CP.21 and paragraphs 8-9 of decision 1/CMP.11 may not align.

1. Work undertaken during the reporting period
   * + 1. The Board held two meetings during the reporting period, each convened at the premises of the United Nations Convention to Combat Desertification (UNCCD) in Bonn, Germany. The agendas and annotations (including background documentation on the agenda items) and detailed reports of the meetings are available on the Fund’s website.[[4]](#footnote-4)
       2. The following sections describe the major work undertaken by the Board during the reporting period.

*Election of the Chair and Vice Chair of the Adaptation Fund Board*

* + - 1. In accordance with decision 1/CMP.3, paragraph 13, the Board, at its twenty-seventh meeting, elected, by consensus, Mr. Naresh Sharma (Nepal, Least Developed Countries constituency (LDCs)) as Chair of the Adaptation Fund Board. At its twenty-sixth meeting the Board elected Mr. Michael Kracht (Germany, Western European Countries and Others Group (WEOG)) as Vice Chair.

*Changes in composition of the Adaptation Fund Board*

* + - 1. During the reporting period, a number of members and alternate members of the Board have been replaced. Among the members, Mr. David Kaluba (Zambia, African Group) replaced Mr. Ezzat Lewis Hannalla Agaiby (Egypt); Mr. Mirza Shawkat Ali (Bangladesh, Asia-Pacific Constituency) replaced Mr. Nauman Bashir Bhatti (Pakistan); Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe Constituency) replaced Ms. Gabriela Popescu (Romania); Ms. Monika Antosik (Poland, Eastern Europe Constituency) filled the vacancy left by Ms. Laura Dzelzyte Hanning Scarborough (Lithuania) who had resigned; Lucas di Pietro Paolo (Argentina, Group of Latin American and Caribbean Countries (GRULAC)) replaced Mr. Philip Weech (Bahamas); Mr. Antonio Navarra (Italy, WEOG) filled the vacancy left by Ms. Su-Lin Garbett-Shiels (United Kingdom of Great Britain and Northern Ireland); and Mr. Naresh Sharma (Nepal, LDCs) replaced Mr. Mamadou Honadia (Burkina Faso). Among the alternate members, Mr. Admasu Nebebe (Ethiopia, African Group) replaced Mr. Zaheer Fakir (South Africa); Mr. Naser Moghaddasi (Iran, Asia Pacific Constituency) replaced Prof. W. L. Sumathipala (Sri Lanka); Ms. Ardiana Sokoli (Albania, Eastern Europe Constituency) replaced Mr. Aram Ter-Zakaryan; Mr. Philip Weech (Bahamas, GRULAC) replaced Mr. Jeffery Spooner (Jamaica); Ms. Aida Velasco Munguira (Spain, Annex I Parties) replaced Mr. Hugo Potti Manjavacas (Spain) who resigned; Ms. Ding Ding (China, non-Annex I Parties) replaced Ms. Wenhang Huang (China) who resigned; and Mr. Chebet Maikut (Uganda, LDCs) replaced Mr. Evans Njewa (Malawi) who resigned after replacing Mr. Adao Soares Barbosa (Timor-Leste).
      2. The complete list of Board members and alternate members is contained in Annex X.

*Calendar of meetings of the Adaptation Fund Board in 2016*

* + - 1. The Board adopted a calendar of meetings for 2016 (see Table 1) at its twenty fifth and twenty sixth meetings. Meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) immediately preceded each Board meeting.

**Table 1. Calendar of meetings of the Adaptation Fund Board in 2016**

|  |  |
| --- | --- |
| **Dates** | **Location** |
| 17-18 March | Bonn, Germany |
| 6-7 October | Bonn, Germany |

*Resources in the Adaptation Fund Trust Fund*

* + - 1. As of 30 June 2016, the trustee had sold 25.9 million Adaptation Fund CERs, at an average price of USD 7.58, generating revenues of US$ 196.6 million. Receipts from the monetization of CERs amounted to US$ 2.3 million during the 12 months to 30 June 2016. As of 30 June 2016, 8.0 million CERs were still available to be sold, in accordance with the CER Monetization Guidelines adopted by the Adaptation Fund Board. The Board has instructed the trustee to transfer a total of US$ 169.8 million to implementing entities to date.
      2. Funds available for new funding approvals amounted to US$ 168.6 million at 30 June 2016.

*Work plan of the Adaptation Fund Board*

* + - 1. The Board, at its twenty seventh meeting, adopted the work plan for the Adaptation Fund Board for fiscal year 1 July 2016 through 30 June 2017.[[5]](#footnote-5)

*Budget of the Adaptation Fund Board, secretariat and trustee*

* + - 1. At its twenty seventh meeting, the Board considered and approved resources to support the work of the Board and its secretariat and the trustee through to 30 June 2017 (Annex X).[[6]](#footnote-6) The estimated administrative budget requirement approved for the fiscal year 2017 for the Board, the secretariat and the trustee is US$ 5,191,837 as at 30 June 2016, representing an increase of 10 per cent from the approved amount for the previous year due to the following: a) Personnel cost increase due to the need to hire a temporary replacement for the Operations Associate, as well as the need to convert two non-renewable positions into Grade E term contracts, in order to ensure the provision of adequate secretariat services to the Board; b) the increased costs of the Board meetings charge due to the fee for the usage of common conference rooms in the United Nations Campus Bonn; and c) the increased costs in office space in the fiscal year 2016 as a result of the unavoidable move of the secretariat offices to a new building where the lease cost is lower resulting in a net saving in the office space cost in the fiscal year 2017 .

*Accreditation of Implementing Entities*

* + - 1. Decision 1/CMP.3, paragraph 30, provides that “in order to submit a project proposal, Parties and implementing ... entities shall meet the criteria adopted by the Adaptation Fund Board ..., in order to access funding from the Adaptation Fund.”
      2. The Accreditation Panel met three times during the reporting period. The Board elected Ms. Yuka Greiler (Switzerland, WEOG) as Chair and Mr. Philip Weech (Bahamas, GRULAC) as Vice Chair. The Accreditation Panel is constituted by these two Board members, along with four independent expert members.
      3. In line with the decision referred to in paragraph 16 above, during the reporting period the Board considered the recommendations of the Accreditation Panel and approved the accreditation of three additional national implementing entities (NIE)—(i) the Ministry of Finance and Economic Development (MOFED) of Ethiopia, (ii) Dominican Institute of Integral Development (IDDI) of the Dominican Republic, and (iii) the Partnership for Governance Reform in Indonesia (Kemitraan) of Indonesia—and two additional regional implementing entities (RIEs)—(i) the Caribbean Development Bank (CDB) and (ii) the Central American Bank for Economic Integration (CABEI). During the reporting period, the total number of accredited implementing entities amounted to 23 NIEs, 6 RIEs and 12 MIEs. In particular 4 NIEs from LDC and 5 NIEs from SIDSs have been accredited. 17 NIEs from LDC and 5 from SIDSs are in the accreditation pipeline. A total of 9 accredited implementing entities have been re-accredited[[7]](#footnote-7) among 42 accredited implementing entities of the Fund: 2 NIEs, 1 RIE, and 6 multilateral implementing entities (MIEs). The list of accredited implementing entities is contained in Annex IV to this report.

*Adaptation Fund Board committees*

* + - 1. The Ethics and Finance Committee (EFC) and the Project and Programme Review Committee (PPRC), established by the Board in 2009, met two times during the reporting period, scheduling their meetings two days prior to the subsequent Board meetings. Mr. Yerima Peter Tarfa (Nigeria, Africa) was elected as Chair of the PPRC and Ms. Monika Antosik (Poland, Eastern Europe) as Vice-Chair. Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties) was elected as Chair of the EFC and Ms. Patience Damptey (Ghana, non-Annex I Parties) was elected as Vice-Chair.
      2. The EFC considered and made recommendations to the Board on the following items: approval of the gender policy and action plan, direct project services charged by the UNDP, complaint handling mechanism, the annual report, project performance reports, overall evaluation of the Fund, investment income and the budget and work plan of the Board and secretariat, and trustee.
      3. Up to the end of the reporting period, the PPRC had reviewed 13 single-country project concepts and 17 fully developed proposals for single-country projects, representing 21 distinct proposed projects, reviewed during two meetings and one intersessional review period. It had also reviewed, for the first time, 13 pre-concepts and 2 concepts for regional (multi-country) projects, representing 10 distinct proposed projects, under the Pilot Programme for Regional Projects and Programmes. It also discussed and conveyed the outcomes of its deliberations to the Board on issues related to the continuation of the call for proposals under the Pilot Programme for Regional Projects and Programmes, and an analysis of climate adaptation reasoning in project and programme proposals approved by the Board.

*Funding decisions on adaptation projects and programmes*

* + - 1. Decision 1/CMP.4 paragraph 10, “Requests the Adaptation Fund Board to start processing proposals for funding projects, activities or programmes, as applicable, and to report back on progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.”
      2. In line with the provision referred to in paragraph 20 above, the Board considered recommendations from the PPRC to approve six single-country proposals for funding for a total amount of US$ 36.9 million, during the Adaptation Fund Board meetings held during the reporting period and intersessionally (Annex V). Proposals that were approved during the reporting period amounted to US$ 19.2 million. As at the date of this report, proposals recommended for approval amounting to US$ 17.7 million awaited for intersessional Board decision through a two week non-objection process, which was to be completed by 5 July 2016. The Parties whose proposals have been approved or recommended for approval for funding over the reporting period are: Chile, India (2 proposals), Niger, Peru and Uganda. It deserves to be noted that the projects in Niger and Uganda, recommended for approval during the intersessional period, are the first two such submitted through RIEs. The other projects are implemented by NIEs.
      3. In addition to the funding decisions listed above, the Board considered recommendations from the PPRC to endorse seven project concepts for Antigua and Barbuda, Guinea Bissau, India, Lao People’s Democratic Republic, Panama, Peru and Senegal, for a total amount of US$ 35.9 million at its meetings during the reporting period and intersessionally, and to approve four project formulation grants for those projects that had been submitted by NIEs, for a total amount of US$ 118,400. Six concepts amounting to US$ 25.9 million were endorsed by the Board during the reporting period. Another concept in the amount of US$ 10.0 million was recommended for endorsement as at the date of this report and awaited for intersessional Board decision through a two-week non-objection process to be completed by 5 July 2016.
      4. Under the Pilot Programme for Regional Projects and Programmes, one concept in the amount of US$ 5,000,000 was endorsed, for a regional project in Burundi, Kenya, Rwanda, Tanzania and Uganda. In addition, eight pre-concepts for a total amount of US$ 61.8 million were endorsed, for projects planned to benefit 24 countries in Africa, Asia, and Latin America and the Caribbean. The Board also approved US$ 180,000 in project formulation grants for endorsed pre-concepts and concepts.
      5. The sectors represented in the approved fully-developed proposals and endorsed concepts included: agriculture, disaster risk reduction, food security, coastal management, rural development and water resources management (see table 7 in annex VIII).
      6. CMP 11 requested the Board to provide in its reports to the CMP further information on the status of the portfolio of the Fund, including projects at different stages of development.[[8]](#footnote-8) The requested information in contained in Annex VII (tables 1 to 5).
      7. Responding to the suggestions and requests from the civil society and non-governmental organization observers, all project/programme proposals are posted on the Adaptation Fund website as they are received, and interested stakeholders may send comments pertaining to the proposals to be posted online. Comments on proposals submitted to the Board can be sent by electronic message to the secretariat[[9]](#footnote-9) and are available on the respective project page on the website and included in the respective project document submitted to the PPRC.

*Renewal of the interim institutional arrangements*

* + - 1. The CMP at its tenth session decided to extend to June 2017 the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund.[[10]](#footnote-10)
      2. As per the above mentioned decision, the interim arrangements for the provision of secretariat services to the Board will expire shortly after this session of the CMP. Thus, the Board invites the CMP to adopt the decision proposed in Annex I to extend the arrangements with the GEF for the provision of secretariat services to the Board until 30 May 2020.
      3. Further to the decision of the CMP mentioned in paragraph 29 above, the Executive Directors of the International Bank for Reconstruction and Development as Trustee of the Adaptation Fund, decided to extend the mandate of the World Bank as interim trustee for a third time (to 30 May 2017), and authorize the World Bank to monetize the share of proceeds from additional carbon credits, as and when market and other conditions allow. This mandate will expire shortly after this CMP and its renewal will need to be considered by the Parties at this meeting.
      4. Hence, the Board invites the CMP to adopt the decision attached as Annex I. This revision will be effective upon adoption by the CMP, and subsequently by agreement of the World Bank as trustee.

*Portfolio monitoring*

* + - 1. Over the course of the reporting period, 41 projects were under implementation, including 9 projects which started implementation during that period and three projects that were completed. A total of US $171.26 million has been disbursed to 50 projects since the Fund’s operationalization, including $ 24.8 million during that period. The largest amount of grant funding approved thus far has been to the Africa region with sixteen projects totalling US$ 116.9 million in grants (35 %), followed closely by Asia-Pacific with twenty-one projects totalling US$ 113.7 million in grants (34 %) and Latin America and the Caribbean with US$ 101.3 million (30 %) (see table 6 in annex VIII). In terms of sector, the largest grant amount has gone to adaptation projects in the Agricultural sector with US$ 62 million approved (18 %), followed closely by the Food Security sector with US$ 58.4 million (17 %) (see table 7 in annex VIII). The sixth annual performance report (APR) of the Fund, corresponding to the period 1 July 2015 – 30 June 2016, will be considered by the Board at its twenty-eighth meeting.
      2. The Fund also tracks the breakdown of the proposed grant amount by Fund level-outcome, under its Strategic Results Framework (SRF).[[11]](#footnote-11) The largest amount of grant funding proposed is channelled toward outcome five of the SRF, *increased ecosystem resilience in response to climate change and variability-induced stress* (US$ 77.7 million, 27.5 per cent), and outcome four, *increased adaptive capacity within relevant development and natural resource sectors* (US$ 74.9 million, 26.5 per cent).

*Operational linkages and relations with institutions under the Convention*

* + - 1. The CMP at its tenth session requested the Board to consider options for developing operational linkages, as appropriate, between the Adaptation Fund and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies.[[12]](#footnote-12) The Board had taken action to promote linkages with other bodies under the Convention, such as the Green Climate Fund (GCF), the Adaptation Committee (AC), the Standing Committee on Finance (SCF), and the Climate Technology Centre and Network (CTCN). The secretariat participated, as an observer, in the tenth, eleventh, twelfth, thirteenth and fourteenth meetings of the GCF Board, as well as the 50th Meeting of the Council of the GEF. The secretariat also participated in the ninth meeting of the AC, as well as the Adaptation Forum it organized. The COP, at its twentieth meeting, had requested the SCF to consider issues related to possible future institutional linkages and relations between the Adaptation Fund (AF) and other institutions under the Convention. The secretariat and the UNFCCC secretariat facilitated a consultation between the co-facilitators of that SCF agenda item and representatives of the Board during the tenth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) which was held from 31 August to 4 September 2015 in Bonn.
      2. The secretariat also participated, as a panelist, in the fifth meeting of the Durban Forum on Capacity-building: “Enhancing Capacity to Implement the Paris Agreement” organized during the 44th meetings of the subsidiary bodies.
      3. The secretariat, a dedicated team of officials providing secretariat services to the Board, is hosted by the GEF secretariat, which promotes exchange of information and knowledge, and provision of cross-support, when needed.
      4. The secretariats of the GCF and GEF have participated in many of the readiness programme global and regional seminars organized by the secretariat.
      5. In 2015 the Board had considered establishing an operational linkage between the Fund and the GCF for channelling resources for adaptation and identified two options: (a) seeking accreditation as financial intermediary with the GCF; or (b) entering into an MOU or ad hoc agreement with the GCF. The Board also considered how to enhance complementarity with the GCF through concrete activities. Following a discussion on these options, the Board requested the Chair and Vice-Chair to initiate consultations with the SCF and start a dialogue with the GCF Board, on potential linkages between the two funds and request the issue of complementarity between the two funds to be considered by the GCF Board at the earliest. The Board also requested the secretariat, in consultation with the trustee, as appropriate, to present further legal, operational, and financial analysis on the implications of various linkages with the GCF. Finally the Board requested the secretariat to discuss with the GCF secretariat concrete activities to initiate collaboration, including but not limited to the following areas: readiness support, including by organizing joint activities such as workshops or seminars in regions; results based management; accreditation; and project/programme identification. These consultations are underway.
      6. Following the mandate by the Board, the Board Chair met with one of the GCF Co-Chairs in the margins of the forty-fourth session of the Subsidiary Bodies. They exchanged views on complementarity between the funds and the added value of the Fund for the work of the GCF. At its thirteenth meeting the GCF Board decided *to request the Co-Chairs of the GCF Board to initiate an annual dialogue with climate finance delivery channels, commencing at, and in conjunction with, the fifteenth meeting of the GCF Board, and thereafter annually and in conjunction with a Board meeting to be held at GCF Headquarters in Songdo, Incheon, Republic of Korea, with other funds in order to enhance complementarity at the activity level* (GCF Board Decision B.13/12).[[13]](#footnote-13) It also decided to *request the Co-Chairs to consult with the* [GCF] *Board, with a view to presenting for consideration by the* [GCF] *Board at its fourteenth session a proposal related to identifying opportunities for the GCF to add value by co-financing projects and programmes together with the Global Environment Facility, the Adaptation Fund or Multilateral Development Banks* (GCF Board Decision B.13/05).[[14]](#footnote-14)

*Pilot programme for regional projects*

* + - 1. The Board had, at its twenty-fifth meeting in April 2015, approved a pilot programme on regional projects/programmes (the pilot programme) up to a cap of $ 30 million.[[15]](#footnote-15) The overall goal of the pilot programme is to pilot different regional approaches to implementing concrete climate change adaptation projects in vulnerable developing countries, and to compile lessons learned. Such lessons learned would inform the Board’s later decisions on whether to make such a modality a more regular part of the Fund operations.
      2. The pilot programme consists of the following thematic focal areas: (a) Food security; (b) Disaster risk reduction and early warning systems; and (c) Transboundary water management. In addition to the three areas specified, as a cross-cutting fourth theme the pilot programme would seek to support activities that represent innovation in adaptation finance towards transformational impact. The pilot programme encourages MIEs and RIEs to develop innovative solutions to climate change adaptation, including new approaches, technologies and mechanisms. It is required that the proposal describe the innovation aspects of the project/programme. The pilot programme is beyond the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and of the $ 10 million country cap.[[16]](#footnote-16)
      3. The call for proposals was launched on the 5th May 2015. The interest toward the programme turned out to be significant, as expected, with proposals at pre-concept, concept and fully-developed stages amounting to US$ 188 million during the reporting period. At its twenty-seventh meeting, the Board discussed the future of the pilot programme in light of the experiences and the limited amount of resources, as well as other factors such as the expectations towards the programme among proponent countries, the scope of the programme, the definition of regional programmes, and the risk of inadvertently encouraging bundling single-country projects into regional programmes only for financing window technical reasons. The Board then decided to continue consideration of regional proposals under the pilot programme, and to take the matter up again in the twenty-eighth meeting, based on a proposal to be developed by the secretariat and following discussion by the PPRC, including considerations of prioritization among proposals and project formulation support, as well as establishment of a pipeline for projects for which funds were not readily available.

*Readiness programme for climate finance*

* + - 1. During the reporting period the Board concluded implementation of phase II of the readiness programme with a budget of US$ 565,000.[[17]](#footnote-17) Phase II would further increase and expand the benefits and the gains achieved in Phase I to implementing entities.
      2. Over the reporting period, the following activities[[18]](#footnote-18) have been carried out:

1. Second NIE seminar (28-30 July 2015, Washington DC, United States);
2. Climate Finance Readiness Workshop for West Africa (22-24 September 2015 in Abuja, Nigeria) in partnership with the Heinrich Bӧll Stiftung (HBS) and the Economic Community of West African States (ECOWAS);
3. Climate Finance Webinar #1: Held on 19 November 2015 on the topic of stakeholder consultation;
4. Climate Finance Webinar #2: Held on 28 April 2016 on the topic of knowledge management;
5. Climate Finance Readiness Workshop for the African Francophonie (3-5 May 2016 in Casablanca, Morocco) in partnership with the *Institut de la Francophonie pour le Développement* (IFDD) and Morocco Climate Change Competences Centre (4C Maroc);
6. Climate Finance Readiness Workshop for Latin America and the Caribbean region (7-9 June 2016 in Tegucigalpa, Honduras) in partnership with the Central American Bank for Economic Integration (CABEI), an regional implementing entity (RIE) of the Fund;
7. Support and maintenance of the knowledge exchange platform for direct access “climatefinanceready.org”, in collaboration with the Climate and Development Knowledge Network (CDKN) to disseminate content on Direct Access and NIE adaptation stories;
8. Approval of five South-South cooperation grants to support developing countries in identifying suitable national institutions as NIE candidates and to prepare and submit an application for accreditation in Guinea, Mali and Sierra Leone implemented by the Senegalese NIE *Centre de Suivi Ecologique* (CSE), and in Malawi and Zimbabwe, implemented by the Kenyan NIE National Environment Management Authority (NEMA); and
9. Approval of six Technical Assistance grants to help NIEs strengthen their capability to address and manage environmental and social risks in Senegal (CSE), Benin (FNE), Panama (Fundacion Natura Panama), Costa Rica (Fundecooperacion), Micronesia (MCT) and South Africa (SANBI).
   * + 1. The Board at its twenty seventh meeting decided to institutionalize the readiness programme and to integrate it into the Adaptation Fund’s work plan with a budget of US$ 616,500 for the fiscal year 2017[[19]](#footnote-19) The objectives of the programme remained unchanged as decided by the Board at its twenty first meeting, to increase the number of applicant national entities seeking accreditation and the number of high quality proposals submitted to the Board[[20]](#footnote-20).
       2. Implementation for the fiscal year 2017 started on 1 July 2016 and includes additional funding for small grants to support South-South cooperation, project formulation assistance and technical assistance for implementation of the environmental and social policy as well as gender policy of the Fund[[21]](#footnote-21).
       3. CMP 11 recognized and acknowledged the work of the readiness programme for direct access to climate finance, including the approval of Phase II of the readiness programme and the approval of South-South cooperation grants[[22]](#footnote-22), and also the efforts of the Adaptation Fund Board secretariat to organize workshops for national implementing entities[[23]](#footnote-23). Since its launch in May 2014, the readiness programme has advanced work on its two main objectives of increasing the number of NIEs and increasing the number of quality projects and programmes submitted by implementing entities. The number of accredited NIEs has increased from 13 in 2014 to 24 as of July 2016 and four of these are least developed countries (LDCs) and six are Small Island Developing States (SIDS). From 1 July 2015 the Fund has received seven NIE applications, which include five from LDCs and two from regional implementing entities (RIEs). Similarly there has been an increase in the number of project and programme proposals submitted by implementing entities each year. The Fund has seen an increase in the value of its climate finance readiness small grant portfolio from US$ 200,000 to US$ 590,000 as of July 2016 and indications are that this will continue to grow with increasing demand from NIEs. Four LDCs have received South-South cooperation grants and two LDCs and one SIDS have received grants for technical assistance. In addition, the workshops referenced above altogether targeted accreditation support to 28 LDCs and 19 SIDS. Further, the Fund’s 2017 fiscal year work plan includes a climate finance readiness workshop targeting accreditation and project support for all LDCs globally in a single event.

*Overall evaluation of the Adaptation Fund*

* + - 1. During the reporting period, the Fund has finalized the first stage of an independent overall evaluation (process evaluation) (available at: <https://www.adaptation-fund.org/document/independent-evaluation-of-the-adaptation-fund-first-phase-evaluation-report/>) that characterized the Adaptation Fund as a learning and effective institution. This evaluation highlights that the modality that the Fund has pioneered in for more than 6 years, direct access, has been a major innovation in climate finance and is appropriate to meeting countries’ needs, and that such modality can be a highly relevant, effective, and efficient means of challenging adaptation finance. Second, the evaluation outlines that the Fund’s design and operational processes are efficient and largely coherent with UNFCCC guidance and national adaptation priorities, and that the evolution of its operational processes has been appropriate, demonstrating its commitment to continuously improve its operations. Last but not least, the Adaptation Fund resource allocation process has been assessed as efficient. The Board has approved a management response (available at: <https://www.adaptation-fund.org/document/approval-of-the-afb-chair-management-response-to-the-evaluation-of-the-fund-stage-1/>) to the first stage of the evaluation that has been drafted by the Chair.
      2. The Board has discussed options for the second stage of the evaluation of the Fund (assessment of projects/programmes) and has established an evaluation task force to develop terms of reference and request for proposals for the second stage of the evaluation with inputs from the civil society organizations through the AF NGO network and in coordination with independent evaluation organizations (including the Global Environment Facility Independent Evaluation Office (GEF-IEO)). The Board also requested the secretariat to further investigate the availability of the previous Independent Review Panel members and continue discussions with the GEF-IEO, and to present updated options for the second stage of the evaluation of the Fund to the nineteenth meeting of the EFC.
      3. The Board requested the secretariat to prepare options for providing the Fund with an evaluation function, building upon previous work related to the evaluation framework of the Fund, for consideration at the nineteenth meeting of the EFC.

*Communications*

* + - 1. The secretariat increased its efforts to disseminate news and stories in clear and engaging ways about the Fund’s work during the reporting period, producing 23 news story releases on Fund programs and activities and 2 full-color field project stories (on Mongolia and Uruguay in multiple languages). In addition, 20 new videos for the Fund’s [YouTube channel](https://www.youtube.com/user/AdaptationFund) have been created about Fund projects, NIEs, Readiness and other high profile events. The Fund’s website and social media were improved and registered record visits and followers. Twitter, for example, has grown by 1,700 followers since a new more content-based, more frequent and targeted web and social media outreach strategy was implemented last August. Several new outreach materials, brochures and flyers illustrating the Fund’s events, activities and results, its direct access modality, country project examples, climate sectors and beneficiaries served, and the Readiness Programme for Climate Finance were also created and disseminated. The secretariat also enhanced its website in user-friendly ways, including creating clear news, events and project sections, as well as a well-received COP-specific section on all of the Fund’s activities, information and results related to COP21 and next steps. The secretariat further developed and completed a Global Photo Contest on Adapting Coasts and Watersheds that drew 127 photo submissions on adaptation efforts from NIEs, MIEs, country governments, the private sector and general public from all over the world, with results displayed on the web, social media and at a global readiness event hosted by the Fund in Washington, D.C. The secretariat additionally updated its Flickr photo sharing site, adding several new albums of photos of country projects as well as winning photos from the photo contest. The secretariat has also increased its media outreach efforts to further highlight the value of the Fund and its ongoing projects and work, achieving media story placements in press avenues such as Devex, WRI, Thomson Reuters Foundation, Carbon Pulse, Voice of America, Radio France International, Eco NGO newsletter, UNFCCC Climate Change Studio, AllAfrica, RivesAfricaines, RTS1 Senegal Radio and TV, 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 and speeches were also created as preparation for media interviews or high profile appearances. The secretariat further increased its electronic distribution and media lists, as well as producing electronic newsletters and notices highlighting its stories about the Fund’s programs and activities. The secretariat further enhanced its engagement with NIEs and other partners, to cross-promote products and project activities.
      2. Board members and the secretariat participated in a number of events to showcase the Fund’s experience, which included field visits to the project sites in Argentina (2–6 November 2015), Uruguay (9–13 November 2015) and Mongolia (13–17 June 2016), the 21st session of the conference of the Parties and the 11th session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP21) in Paris (Paris, France, 30 November–12 December 2015), the eleventh, twelfth and thirteenth meetings of the GCF Board, the ninth meeting of the Adaptation Committee (Bonn, Germany, 1–3 March 2016) as well as the Adaptation Forum convened by the Committee (Rotterdam, Netherlands, 12 May 2016); “Investing in the Future We Want: Finance for Climate Change and Sustainable Development” meeting (21–23 March 2016, Tarrytown New York, USA) jointly organized by the World Resource Institute (WRI) and the Overseas Development Institute (ODI); Climate Finance Readiness Workshop (Abuja, Nigeria, 24–26 March 2015); UNECE 3rd Meeting of Global Network of Basins Working on Climate Change Adaptation, 6–7 April 2016; Climate Finance Readiness Workshop (Casablanca, Morocco, 3–5 May 2016); Adaptation Futures 2016 conference in Rotterdam, Netherlands, 10–13 May, 2016; Climate Finance Readiness Workshop (Tegucigalpa, Honduras, 7–9 June 2016); and the 44th sessions of the Subsidiary Body for Implementation (SBI 44) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 44, May 2016 in Bonn, Germany). The secretariat also gave remote presentations at the Oceania 22 Summit (11–13 April 2016, Noumea, New Caledonia) and at the South-South Learning Exchange on bankable project development organized by CDKN and the Ministry of the Environment of Peru (31 May–3 June 2016, Lima, Peru). The secretariat also organized a comprehensive multimedia exhibit at COP21 in Paris to showcase its projects on a large scale, and held high profile side events with featured speakers from NIEs, RIEs and MIEs at COP21, SB44 and the Adaptation Futures conference to share perspectives and examples of the Fund’s value and project successes. In addition, the secretariat held its first two global webinars for NIEs in November 2015 and April 2016 to share lessons from all over the world on the accreditation and project development processes, with presentations from AF and partners on key themes such as stakeholder involvement and sharing knowledge in projects.
      3. The secretariat continued to implement its communications and outreach strategy for the Readiness Programme on Climate Finance, as well as its strategic partnership with the Climate & Development Knowledge Network (CDKN), through the joint microsite “Climate Finance Ready” (http://www.climatefinanceready.org). The secretariat is also in the process of updating the Fund’s Knowledge Management Strategy which was previously approved in 2012, along with an Action Plan covering 2016 to 2018. The strategy and action plan will be submitted to the Board for approval at its twenty-eighth meeting in October 2016.
      4. In addition to updating and expanding its activity on its primary social media channels, Twitter, Facebook, YouTube and Flickr, and growing its audiences and disseminating information with the latest multimedia tools, the secretariat added a new social media channel, LinkedIn, to its network as a way to further reach high level partners and stakeholders in the climate change community and share thought leadership stories and releases.
      5. The secretariat continued to improve its new website, producing more targeted and compelling user-friendly written and visual content. Usage and visits to the site are significantly higher than the old site. For example, unique visitors were up 36% in the period between October 2015 and February 2016, with homepage views nearly doubled, page views per user considerably higher and an extremely low bounce rate which reflect that the site is more engaging and informative and indicates viewers are staying.

*Dialogue with civil society organizations*

* + - 1. The Board at its twelfth session initiated regular dialogue sessions with civil society organizations in order to listen to their proposals, receive feedback on the issues comprising the Board agenda, and exchange views. The sessions are part of the Board agenda.

1. Support to the Adaptation Fund Board for the implementation of its mandate
   * + 1. Decision 4/CMP.5, paragraph 9 “Encourages Parties included in Annex I to the Convention and international organizations to provide funding to the Adaptation Fund, which will be additional to the shares of the proceeds from clean development mechanism project activities.” Further, by decision 6/CMP.7, paragraph 5, the CMP continues to encourage the provision of funding byParties included in Annex I to the Convention and international organizations.
       2. At its twenty second-meeting the Board approved a fundraising strategy. The Board held two sessions of the dialogue with donors in the margins of the COP 21/CMP 11 in Paris, December 2015 and of the forty-fourth meetings of the UNFCCC Subsidiary Bodies in Bonn, May 2016. Another session is scheduled to take place in the margins of COP 22 / CMP 12 in Marrakech.
       3. Pledges by Annex I Parties and their regions made during COP 19/CMP 9 surpassed the first fundraising target of US$ 100 million established by the Board for the period 16 March 2012 - 31 December 2013, with US$ 31.8 million received before COP 19/CMP 9, and an equivalent of ca. US$ 72.2 million pledged during it. During the reporting period, all remaining pledges made towards the resource mobilization target were deposited into the trust fund.
       4. Contributions by Annex I Parties and their regions towards the second resource mobilization target of US$160 million established by the Board for the period 1 January 2014–31 December 2015, totalled US$136.7 million. Pledges equivalent to ca. US$ 17.7 million are still outstanding. At its twenty-seventh meeting the Board decided to set a new resource mobilization target of US$ 80 million per year for the biennium 2016-2017, and to update the composition of the resource mobilization task force to continue implementing the resource mobilization strategy.[[24]](#footnote-24) The task force is composed of Ms. Patience Damptey (Ghana, non-Annex I Parties), Ms. Fatuma Hussein (Kenya, non-Annex I Parties), Mr. Michael Kracht (Germany, Annex I Parties), Mr. Marc-Antoine Martin (France, WEOG), Mr. Antonio Navarra (Italy, WEOG), Lucas Di Pietro Paolo (Argentina GRULAC), Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe) and Ms. Tove Zetterstom-Goldmann (Sweden, Annex I Parties). Mr. Kracht (Germany, Annex I Parties) was replaced as a co-coordinator of the task force by Mr. Navarra, while Ms. Hussein continued as its other co-coordinator.
       5. During the reporting period (1 August 2015 to 30 June 2016), the Fund received contributions from the Government of Belgium (USDeq. 1.7 million), Germany (USDeq. 54.6 million), Italy (USDeq. 2.2 million), and the Walloon Region in Belgium (USDeq. 1.4 million).
       6. The Board would like to express its gratitude to the Governments of Germany, Italy and the Walloon Region in Belgium for their support to the Fund in meeting its 2014-2015 resource mobilization target; and to the Governments of Belgium, and the Walloon region in Belgium for their support to the Fund in meeting its 2012-2013 resource mobilization target. The Board also recognizes the support of the French Presidency of COP 21/ CMP 11 in its resource mobilization efforts, the Fund secretariat, the trustee, and the UNFCCC secretariat.
       7. The full list of contributors to the Fund is contained in Annex VI to this report.
       8. In accordance with decision 1/CMP.3, paragraph 18, the dedicated team of officials at the Fund secretariat comprises seven professional staff members; namely the secretariat’s Manager, two Senior Climate Change Specialists, two Operations Officers (Accreditation and Readiness Coordinator), one Operations Analyst (Legal and accreditation), and a Junior Professional Associate. It also comprised an Operations Associate, two Short Term Consultants (communications and support to operations) and one Short Term Temporary (support to readiness). A replacement for the Operations Associate currently on extended leave is being recruited.
2. The Adaptation Fund and the Paris Agreement
   * + 1. Decision 1/CP.21 adopting the Paris Agreement (the Agreement) recognized that the Adaptation Fund may serve the Agreement, subject to relevant decisions by the CMP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).[[25]](#footnote-25) It further invited the CMP to consider this issue and make a recommendation to the CMA at its first session.[[26]](#footnote-26) CMP 11 started the process by recommending that the CMA, at its first session, consider that the Adaptation Fund may serve the Paris Agreement. It further invitedthe COP at its twenty-second session (November 2016), to request the Ad Hoc Working Group on the Paris Agreement (APA) to undertake the necessary preparatory work concerning this issue and to forward a recommendation to the CMP for its consideration and adoption no later than at its fifteenth session (November 2019).[[27]](#footnote-27) These provisions established a road map to consider making of the Fund one of the institutions serving the Agreement.
       2. The Board at its twenty-seventh meeting considered this matter under its agenda item 13, *Issues arising from the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) and the eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP11)*.[[28]](#footnote-28) The Board exchanged views with the UNFCCC secretariat on the next steps of the process outlined in the above mentioned decisions. These next steps involve COP 22 and the APA. The possibility for the APA to incorporate this matter into its agenda and start a discussion already in Marrakech was raised.[[29]](#footnote-29) Therefore, the Board Chair and Vice-Chair requested a meeting with the APA Co-Chairs in the margins of the APA first meeting (Bonn, May 2016) or at the earliest opportunity.
       3. The Board would also like to bring to the attention of the CMP an issue that may potentially affect the process outlined in the above mentioned decisions. If the Paris Agreement enters into force before 2020 as the high number of signatures seems to indicate, the timelines outlined in paragraphs 8 and 9 of decision 1/CMP.11 may not align. In case of an early entry into force of the Agreement, CMA 1 may take place already in 2017 or 2018. If the APA preparatory work concerning the Fund serving the Paris Agreement, its ensuing recommendation to the CMP, and consideration of the matter by the CMP are concluded only in 2019, as per paragraph 9, CMA 1 may not be in a position to consider that the Adaptation Fund may serve the Agreement at its first session, as per paragraph 8 of decision 1/CMP.11 and paragraph 60 of decision 1/CP.21. Hence, the Board is of the view that the CMP recommendation requested in paragraph 60 of decision 1/CP.21 should be issued at the earliest opportunity and no later than in 2017 in order to be considered by CMA 1.
       4. The Board also took up the question of which issues should be included in the Board’s report to CMP12, which could inform the discussion on the Adaptation Fund serving the Agreement. The following matters were proposed: the evaluation of the Fund, including the outcome of Phase I and the launch of Phase II; the status of the Fund’s income; the readiness programme, including preliminary results and capacity building achievements; the accreditation process and steps taken to enhance effectiveness and efficiency; a request for guidance on how to transition to the new regime; the comparative advantage offered by the Fund; and the issue of coherence and collaboration among funds.[[30]](#footnote-30) For ease of reference these matters are included in the Annex to the draft decision contained in Annex I to this report, which the CMP may want to consider forwarding to COP 22 as information relevant for the consideration of the issue under paragraphs 59 and 60 of decision 1/CP.21.

Annex I: Draft decision

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 1/CMP.3 and 2/CMP.10, paragraph 8,

*Also recalling* decision 1/CMP.11, paragraphs 8 and 9,

1. *Decides* to extend to 30 May 2020 the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund;

2. *Invites* the Conference of the Parties to the United Nations Framework Convention of Climate Change at its twenty-second session, when considering the invitation of decision 1/CMP.11, paragraphs 9, to include the information on the value of the Adaptation Fund for the operationalization of the Paris Agreement, as contained in the annex to this decision.

Annex to draft decision

Added value of the Adaptation Fund for the operationalization of the Paris Agreement

Information relevant for the process outlined in paragraphs 59 and 60 of decision 1/CP.21 and paragraphs 8 and 9 of decision 1/CMP.11

When adopting the Paris Agreement (the Agreement) the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) recognized that the Adaptation Fund may serve the Agreement subject to relevant decisions by the CMP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA). It further invited the CMP to consider this issue and make a recommendation to the CMA at its first session.[[31]](#footnote-31) CMP 11 started the process by recommending that the CMA, at its first session, consider that the Adaptation Fund may serve the Paris Agreement. It further invitedthe COP at its twenty-second session (November 2016), to request the Ad Hoc Working Group on the Paris Agreement (APA) to undertake the necessary preparatory work concerning this issue and to forward a recommendation to the CMP for its consideration and adoption no later than at its fifteenth session (November 2019).[[32]](#footnote-32) These provisions established a road map for Parties to consider making of the Fund one of the institutions serving the Agreement. In this note the Adaptation Fund Board presents elements that the CMP may want to consider forwarding to the COP in order to inform the deliberations of the APA on this matter, as per paragraph 9 of decision 1/CMP.11.

How can the Adaptation Fund advance the operationalization of the different components of the Agreement? What value may the Adaptation Fund add to the Agreement?

The Agreement in its Article 2 included adaptation and finance as key components of the global response to climate change, alongside mitigation. These components are supported by capacity building, as per Article 11 of the Agreement. The Adaptation Fund, as a fully operational financial mechanism for concrete adaptation projects and programmes, which also offers targeted readiness support for developing countries’ national entities to access climate change adaptation finance, can contribute to advance the operationalization of the Agreement. The Adaptation Fund is already contributing to closing the adaptation gap by funding its portfolio. The information below elaborates on the added value of the Adaptation Fund to operationalize the Agreement and contribute towards the objective of the Agreement as outlined in Article 2 and relevant articles on adaptation, finance and capacity building.

**Adaptation**

The Agreement recognized adaptation as a global challenge and established a global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change.[[33]](#footnote-33) It also recognized the importance of support and of taking into account the needs of developing countries.[[34]](#footnote-34) The Agreement established a “global stocktake” process to assess the collective progress towards achieving the purpose of the Agreement, including adaptation and finance (means of implementation).[[35]](#footnote-35)

According to the document INDC synthesis report 2015, “Aggregated effect of the intended nationally determined contributions: an update,” among the INDCs communicated to the UNFCCC secretariat as at 4 April 2016, a total of 137 Parties out of 161 included an adaptation component in their INDCs. Parties highlighted their common determination to strengthen national adaptation efforts in the context of the Agreement. Some stressed that adaptation is their main priority for addressing climate change, in particular as they see it to be strongly linked to national development, sustainability and security. Many Parties underlined the need for international finance, technology transfer and capacity-building support for adaptation, in line with the Convention.[[36]](#footnote-36)

The Adaptation Fund is a fully operational financial mechanism dedicated to supporting concrete and tangible interventions to address climate change adaptation and build resilience. The Adaptation Fund has allocated US$ 337 million to 52 concrete adaptation projects/programmes in 46 countries already, including 6 SIDS and 4 LDCs. The portfolio of the Adaptation Fund benefits 3.57 million direct beneficiaries in the most vulnerable communities in developing countries. The portfolio covers most sectors related to adaptation; namely coastal-zone management, sustainable agriculture, water management, urban and rural development, and disaster risk reduction. The projects/programme funded are of up to US$ 10 million, replicable and scalable with funding from other sources. Three projects/programmes funded by the Adaptation Fund in Senegal, Nicaragua and Pakistan have already achieved completion and 11 have completed their mid-term evaluation.

The Adaptation Fund provides country-driven access to its resources through its direct access modality, which also contributes to building in country institutional capacity for the overall management of project/programmes along the process. Direct access represents 33 per cent of the Adaptation Fund portfolio. 17 NIE are currently implementing projects funded by the Adaptation Fund and one has completed its first project (Centre de suivi ecologique, Senegal).

The Adaptation Fund project review cycle is swift and can be completed in nine weeks. The Adaptation Fund has all its policies and procedures in place, including operational policies and guidelines for Parties to access funding from the Adaptation Fund, Zero tolerance policy on fraud and corruption, risk management framework, environmental and social policy, gender policy and action plan, and a number of guidance documents to facilitate compliance with the policies mentioned above. All these documents are available on the Fund’s website.[[37]](#footnote-37)

The Adaptation Fund Board decided to carry out an overall evaluation of the Fund in two stages. The first stage was completed in 2015. It highlights that the modality that the Fund has pioneered in for more than 6 years, the direct access modality, has been a major innovation in climate finance and is appropriate to meeting countries’ needs, and that such modality can be a highly relevant, effective, and efficient means of challenging adaptation finance. Second, the evaluation outlines that the Fund’s design and operational processes are efficient and largely coherent with UNFCCC guidance and national adaptation priorities, and that the evolution of its operational processes has been appropriate, demonstrating its commitment to continuously improve its operations. Third, the evaluation found that the Adaptation Fund has allowed countries to advance important measures at national and sub-national levels with links to national policy making. In addition, the evaluation found that the policies adopted by the Adaptation Fund have created a solid foundation for operational success. In terms of accreditation, the evaluation concludes that the Adaptation Fund has developed thorough and reasonable accreditation requirements and continues to improve its processes. As for the project/programme review cycle, a conclusion is that the AFB Secretariat and PPRC have developed an efficient project/program proposal review process. Last but not least, the Adaptation Fund resource allocation process has been assessed as efficient. The second stage of this evaluation will be launched during the next reporting period. CSO and international evaluation bodies are currently being involved in the preparation of the terms of reference of the second stage of the evaluation.

Considering all the above, the Adaptation Fund is already contributing to the operationalization of the adaptation objectives of the Paris Agreement and to the implementation of the adaptation actions included in developing countries’ INDCs by funding its portfolio of concrete adaptation projects/programmes.

**Finance**

The provision of scaled up finance under the Agreement aims to achieve the balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing states.[[38]](#footnote-38) The Agreement also recognized the need for public and grant based resources for adaptation.[[39]](#footnote-39) In their INDCs many Parties underlined the need for international finance for adaptation, in line with the Convention.

Further, the Agreement assigned to adaptation a share of the proceeds of the sustainable development mechanism it established.[[40]](#footnote-40) This may be a market mechanism with similarities to the clean development mechanism. The Adaptation Fund, if it serves the Agreement, may draw resources for sustainable adaptation financing for vulnerable communities in developing countries.

The evaluation of the Adaptation Fund in its first stage concluded that the Fund is closing the adaptation gap by contributing to funding concrete adaptation projects. The Fund has mobilized over US$ half a billion since inception and allocated US$ 338,5 million for concrete adaptation and readiness projects/programmes. 44% of the amount allocated has already been disbursed. The Board has set up a resource mobilization target of $80 million per year for the biennium 2016-2017. The Adaptation Fund has a system of tried and tested policies and procedures already in place. The Fund’s risk management framework has potential to review accreditation status at any time during accreditation period. The measures recommended may include policy/ procedure enhancements, suspension or cancellation of the accreditation. The Board is supported by a lean secretariat, a dedicated team of eleven people, including the Manager, officers and consultants working at the secretariat’s headquarters, hosted within the World Bank as part of the Global Environment Facility on an interim basis.

The expertise of the Adaptation Fund has been shared with other climate funds and its direct access model has proven replication value for other climate financing organizations. The Green Climate Fund (GCF) Board decided to “fast track” accreditation of implementing entities accredited by the Adaptation Fund Board. As at the date of this report, among the GCF’s 10 NIEs and 3 RIEs accredited as at 1 June 2016, 7 NIEs and 2 RIEs were fast-track accredited by the GCF Board due to their prior accreditation with the Adaptation Fund.[[41]](#footnote-41) The Adaptation Fund is the first climate fund to engage in enhanced direct access. Allowing national institutions to directly access adaptation finance promotes country owned and driven processes, with the strengthening of local institutions in project identification and implementation and resource mobilization.

In addition to contributions by developed countries and sub-national governments, the Adaptation Fund is funded by a share of the proceeds of the Clean Development Mechanism under the Kyoto Protocol. At CMP 8 Parties decided that for the second commitment period of the Kyoto Protocol the Adaptation Fund shall be further augmented through a two per cent share of the proceeds levied under the Joint Implementation and Emission Trading mechanisms.[[42]](#footnote-42) The Fund has experience and expertise on monetizing carbon assets for funding adaptation and has the systems in place to continue receiving funding from innovative sources for that. The Fund has proven experience in monetizing carbon credits for funding adaptation through systems that are operational. The Adaptation Fund has raised US$ 196 million from the sale of certified emission reductions (CERs) since May 2009.

It is evident from the record number of project and programme proposals received from vulnerable developing countries in 2015 and 2016 that the demand for the Fund’s resources is rapidly increasing. In particular, the numbers of proposals submitted through national and regional implementing entities have reached new levels as increased numbers of those entities have gained momentum in developing project proposals. As at 30 June 2016, the active pipeline of single-country projects and programmes under development by national and regional implementing entities (projects that have been submitted during the latest 12-month period but not yet approved) nearly matched the funds available for such entities, while there are also signs of increasing demand for projects implemented by multilateral implementing entities. The limited funding envelope of the pilot programme for regional projects and programmes (US$ 30 million) met with a demand of nearly three times that volume in funding proposals. This demand for both single-country and regional projects and programmes compared to the available resources underlines the on-going financial uncertainty of the Fund.

The Adaptation Fund is a fully operational mechanism that provide funding for adaptation in developing countries. The demand for funding from the Fund is at its highest. However, the sustainability and predictability of its financial flows are not secured due to the reliance on voluntary contributions from developed countries. Its experience in monetizing carbon assets can contribute to the operationalization of the sustainable development mechanism of the Paris Agreement.

**Capacity Building**

Capacity building under the Agreement should enhance the ability of developing countries to take effective climate change action, including adaptation actions, and facilitate access to climate finance. Capacity building should be country driven and responsive to national needs and foster country ownership.[[43]](#footnote-43)

The Adaptation Fund has a successful track record of building institutional capacity through the direct access modality. This happens along the process, from accreditation to implementation and evaluation of nationally designed projects and programmes, as a number of representatives of applicant entities have acknowledged. The report of stage I of the overall evaluation has recognized the Fund as a learning institution

The Adaptation Fund also offers capacity building support for accreditation and project development through its readiness programme. The programme supports NIEs in accessing funds for adaptation, including through South-South cooperation support, and provides technical assistance grants for environmental and social safeguards and gender.

The readiness programme has also contributed to establish a community of practice among NIE practitioners. This community meets annually at the Adaptation Fund Board secretariat’s headquarters in Washington, D.C., to address matters of common interest, exchange knowledge and lessons learnt and share experiences. Aside from this NIE gatherings, the Fund convenes regional workshops and webinars in partnership with other institutions.

Through its direct access modality and readiness programme the Fund contributes to build capacity of national institutions in developing countries, in line with Art. 11 of the Agreement.

Moving forward the process for the Adaptation Fund to serve the Agreement will contribute to speed up the operationalization of the Agreement, including its provisions on adaptation, finance, capacity building, and sustainable development mechanism.

**ANNEX II: Adaptation Fund Board Members and Alternate Members**

| **Term of Office[[44]](#footnote-44)** | **Position** | **Name** | **Country** | **Constituency Represented** |
| --- | --- | --- | --- | --- |
| March 2015  to  March 2017  (Elected at CMP 10, Lima in 2014) | Member | Mr. Yerima Peter Tarfa | Nigeria | Africa |
| Alternate Member | Mr. Petrus Muteyauli | Namibia | Africa |
| Member | Mr. Ahmed Waheed | Maldives | Asia |
| Alternate Member | Mr. Albara E. Tawfiq | Saudi Arabia | Asia |
| Member | Ms. Monika Antosik | Poland | Eastern Europe |
| Alternate Member | Ms. Umayra Tagiyeva | Azerbaijan | Eastern Europe |
| Member | Mr. Emilio Luis Sempris Ceballos | Panama | GRULAC |
| Alternate Member | Ms. Irina Helena Pineda Aguilar | Honduras | GRULAC |
| Member | Mr. Antonio Navarra | Italy | WEOG |
| Alternate Member | Mr. Marc-Antoine Martin | France | WEOG |
| Member | Mr. Paul Elreen Phillip | Grenada | SIDs |
| Alternate Member | Mr. Samuela Vakaloloma Lagataki | Fiji | SIDs |
| Member | Ms. Tove Zetterström-Goldmann | Sweden | Annex I Parties |
| Alternate Member | Mr. Markku Kanninen | Finland | Annex I Parties |
| Member | Ms. Patience Damptey | Ghana | Non-Annex I Parties |
| Alternate Member | Ms. Margarita Caso | Mexico | Non-Annex I Parties |
| March 2016  to  March 2018  (Elected at CMP 11, Paris in 2015)[[45]](#footnote-45) | Member | Mr. David Kaluba | Zambia | Africa |
| Alternate Member | Mr. Admasu Nebebe Gedamu | Ethiopia | Africa |
| Member | Mr. Mirza Shawkat Ali | Bangladesh | Asia |
| Alternate Member | Mr. Naser Moghaddasi | Iran | Asia |
| Member | Mr. Aram Ter-Zakaryan | Armenia | Eastern Europe |
| Alternate Member | Ms. Ardiana Sokoli | Albania | Eastern Europe |
| Member | Mr. Lucas di Pietro Paolo | Argentina | GRULAC |
| Alternate Member | Mr. Philip S. Weech | Bahamas | GRULAC |
| Member | Mr. Hans Olav Ibrekk | Norway | WEOG |
| Alternate Member | Ms. Yuka Greiler | Switzerland | WEOG |
| Member | Mr. Naresh Sharma | Nepal | LDCs |
| Alternate Member | Mr. Chebet Maikut | Uganda | LDCs |
| Member | Mr. Michael Jan Hendrik Kracht | Germany | Annex I Parties |
| Alternate Member | Ms. Aida Velasco Munguira | Spain | Annex I Parties |
| Member | Ms. Fatuma Hussein | Kenya | Non-Annex I Parties |
| Alternate Member | Ms. Ding Ding | China | Non-Annex I Parties |

## ANNEX III: Actual FY15 and approved FY16 budget of the Board and secretariat, and the trustee

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| All amounts in US$ | |  | **Approved** | **Estimate** |  | **Proposed** |
|  |  |  | **FY16** | **FY16** |  | **FY17** |
| **BOARD AND SECRETARIAT** | |  |  |  |  |  |
| 01 | Personnel |  | 1,704,295 | 1,716,295 |  | 1,825,247[[46]](#footnote-46) |
| 02 | Travel |  | 434,000 | 434,000 |  | 548,000 |
| 03 | General operations |  | 345,870 | 377,870[[47]](#footnote-47) |  | 306,090[[48]](#footnote-48) |
| 04 | Meetings |  | 340,000 | 343,000 |  | 363,000[[49]](#footnote-49) |
| **Sub-total secretariat administrative services (a)** | |  | **2,824,165** | **2,871,165** |  | **3,042,337** |
| 05 | Overall evaluation (b) |  | 200,000 | 656[[50]](#footnote-50) |  | 400,000[[51]](#footnote-51) |
| 06 | Accreditation (c) |  | 460,000 | 460,000 |  | 464,000 |
| **Sub-total secretariat (a), (b) and (c)** | |  | **3,484,165** | **3,331,821** |  | **3,906,337** |
| 07 | Readiness Programme (d) |  | 565,000 | 564,000 |  | 616,500 |
| **Sub-total secretariat (a) + (b) + (c) + (d)** | |  | **4,049,165** | **3,896,821** |  | **4,522,837** |
| **TRUSTEE** | |  |  |  |  |  |
| 01 | CER Monetization |  | 203,000 | 203,000 |  | 203,000 |
| 02 | Financial and Program Management |  | 225,000 | 225,000 |  | 225,000 |
| 03 | Investment Management |  | 115,000 | 110,000 |  | 115,000 |
| 04 | Accounting and Reporting |  | 56,000 | 56,000 |  | 56,000 |
| 05 | Legal Services |  | 20,000 | 20,000 |  | 20,000 |
| 06 | External Audit |  | 50,000 | 50,000 |  | 50,000 |
| **Sub-total trustee** | |  | **669,000** | **664,000** |  | **669,000** |
|  |  |  |  |  |  |  |
| **GRAND TOTAL ALL COMPONENTS** | |  | **4,718,165** | **4,560,821** |  | **5,191,837** |

Annex IV: List of accredited implementing entities

**National Implementing Entities (NIEs)**

1. [Agencia de Cooperación Internacional de Chile](https://www.adaptation-fund.org/entity/agencia-de-cooperaci%C3%B3n-internacional-de-chile)Agencia de Cooperacion Internacional de Chile (Chile)[Agencia de Cooperación Internacional de Chile](https://www.adaptation-fund.org/entity/agencia-de-cooperaci%C3%B3n-internacional-de-chile) [Agencia de Cooperación Internacional de Chile](https://www.adaptation-fund.org/entity/agencia-de-cooperaci%C3%B3n-internacional-de-chile)
2. Agencia Nacional de Investigacion e Innovacion (Uruguay)
3. Agency for Agricultural Development (Morocco)
4. Centre de Suivi Ecologique (Senegal)
5. Department of Environment (Antigua and Barbuda)
6. Desert Research Foundation of Namibia (Namibia)
7. Dominican Institute of Integral Development (Dominican Republic)
8. Fundación NATURA (Panama)
9. Fundecooperacion Para el Desarollo Sostenible (Costa Rica)
10. Mexican Institute of Water Technology (Mexico)
11. Micronesia Conservation Trust (Federal States of Micronesia)
12. Ministry of Finance and Economic Development (Ethiopia)
13. Ministry of Natural Resources (Rwanda)
14. Ministry of Planning and International Cooperation (Jordan)
15. National Bank for Agriculture and Rural Development (India)
16. National Environment Fund (Benin)
17. National Environment Management Authority (Kenya)
18. Partnership for Governance Reform in Indonesia (Indonesia)
19. Peruvian Trust Fund for National Parks and Protected Areas (Peru)
20. Planning Institute of Jamaica (Jamaica)
21. Protected Areas Conservation Trust (Belize)
22. South African National Biodiversity Institute (South Africa)
23. Unidad para Cambio Rural (Argentina)

**Multilateral Implementing Entities (MIEs)**

1. African Development Bank (AfDB)
2. Asian Development Bank (ADB)
3. European Bank for Reconstruction and Development (EBRD)
4. Inter-American Development Bank (IDB)
5. International Fund for Agricultural Development (IFAD)
6. United Nations Development Programme (UNDP)
7. United Nations Education, Scientific, and Cultural Organization (UNESCO)
8. United Nations Environment Programme (UNEP)
9. United Nations Human Settlements Programme (UN-Habitat)
10. United Nations World Food Programme (WFP)
11. World Bank (International Bank for Reconstruction and Development)
12. World Meteorological Organization (WMO)

**Regional Implementing Entities (RIEs)**

1. Caribbean Development Bank (Latin American and the Caribbean)
2. Central American Bank for Economic Integration (Latin America and the Caribbean)
3. Corporación Andina de Fomento (Latin America and the Caribbean)
4. Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (North, West and East Africa)
5. Secretariat of the Pacific Regional Environment Programme (the Pacific)
6. West African Development Bank (West Africa)

(In alphabetical order)

Annex V: Project Funding Approvals by the Board during July 1, 2015 – June 30, 2016

**Table 1: AFB 26 project-related funding decisions**





**Table 2: AFB 27 project-related funding decisions**





ANNEX VI: List of the Contributors and actual contributions to the Adaptation Fund

***Austria***

***Belgium***

***Belgium (Flanders)***

***Belgium (Wallonia Region)***

***Belgium (Brussels Capital Region)***

***Banco de Desarrollo de América Latina (CAF)***

***Finland***

***France***

***Germany***

***Italy***

***Japan***

***Luxembourg***

***Monaco***

***Norway***

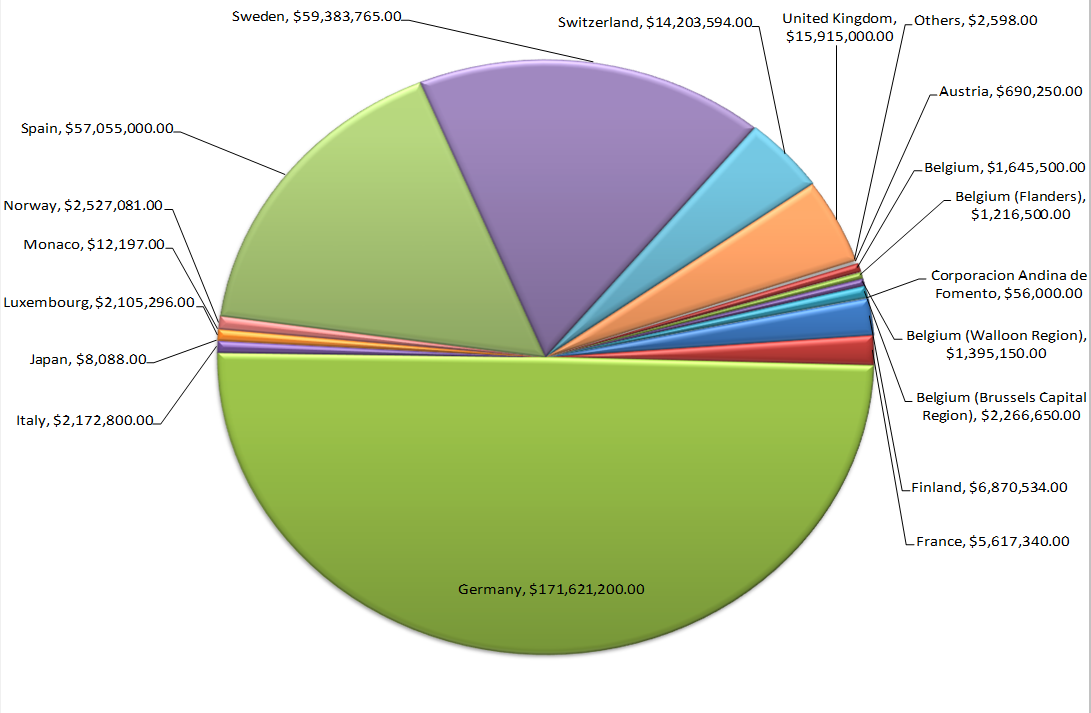
***Spain***

***Sweden***

***Switzerland***

***United Kingdom***

***Others***



Annex VII: Status of the portfolio of the Fund

**Table 1: Status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2016**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | [**Country**](https://www.adaptation-fund.org/funded_projects?order=field_project_country_value&sort=asc) | **Title** | [**Implementing Entity**](https://www.adaptation-fund.org/funded_projects?order=field_ia_value&sort=asc) | **A**[**pproved Amount (USD)**](https://www.adaptation-fund.org/funded_projects?order=field_project_amount_value&sort=asc) | **Amount Transferred (USD)** | **Approval Date** | **Project/**  **Programme Status** |
| **1** | Senegal | Adaptation to Coastal Erosion in Vulnerable Areas | CSE | $8,619,000 | $8,619,000 | 17/9/2010 | Completed |
| **2** | Honduras | Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor | UNDP | $5,620,300 | $5,620,300 | 17/9/2010 | Under implementation |
| **3** | Nicaragua | Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed | UNDP | $5,500,950 | $5,500,950 | 15/12/2010 | Completed |
| **4** | Pakistan | Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan - | UNDP | $3,906,000 | $3,906,000 | 15/12/2010 | Completed |
| **5** | Ecuador | Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin - | WFP | $7,449,468 | $6,751,451 | 18/3/2011 | Under implementation |
| **6** | Eritrea | Climate Change Adaptation Programme In Water and Agriculture In Anseba Region, Eritrea - | UNDP | $6,520,850 | $5,144,303 | 18/3/2011 | Under implementation |
| **7** | Solomon Islands | Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security | UNDP | $5,533,500 | $5,533,5000 | 18/3/2011 | Under implementation |
| **8** | Mongolia | Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia | UNDP | $5,500,000 | $4,968,853 | 22/6/2011 | Under implementation |
| **9** | Maldives | Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island | UNDP | $8,989,225 | $8,989,225 | 22/6/2011 | Under implementation |
| **10** | Turkmenistan | Addressing climate change risks to farming systems in Turkmenistan at national and community level | UNDP | $2,929,500 | $2,708,790 | 22/6/2011 | Under implementation |
| **11** | Mauritius | Climate Change Adaptation Programme in the Coastal Zone of Mauritius | UNDP | $9,119,240 | $3,710,877 | 16/9/2011 | Under implementation |
| **12** | Georgia | Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia | UNDP | $5,316,500 | $5,316,500 | 14/12/2011 | Under implementation |
| **13** | Tanzania | Implementation Of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania | UNEP | $5,008,564 | $4,553,294 | 14/12/2011 | Under implementation |
| **14** | Cook Islands | Strengthening the Resilience of our Islands and our Communities to Climate Change | UNDP | $5,381,600 | $4,512,080 | 14/12/2011 | Under implementation |
| **15** | Uruguay | Uruguay: Helping Small Farmers Adapt to Climate Change | ANII | $9,967,678 | $5,739,544 | 14/12/2011 | Under implementation |
| **16** | Samoa | Enhancing Resilience of Samoa's Coastal Communities to Climate Change | UNDP | $8,732,351 | $4,527,475 | 14/12/2011 | Under implementation |
| **17** | Madagascar | Madagascar: Promoting Climate Resilience in the Rice Sector | UNEP | $5,104,925 | $3,197,224 | 14/12/2011 | Under implementation |
| **18** | Papua New Guinea | Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea | UNDP | $6,530,373 | $5,537,734 | 16/3/2012 | Under implementation |
| **19** | Cambodia | Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia | UNEP | $4,954,273 | $3,086,352 | 28/6/2012 | Under implementation |
| **20** | Colombia | Reducing Risk and Vulnerability to Climate Change in the Region of La Depresion Momposina in Colombia | UNDP | $8,518,307 | $4,893,900 | 28/6/2012 | Under implementation |
| **21** | Djibouti | Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities in Djibouti | UNDP | $4,658,556 | $3,492,556 | 28/6/2012 | Under implementation |
| **22** | Egypt | Building Resilient Food Security Systems to Benefit the Southern Egypt Region | WFP | $6,904,318 | $3,905,765 | 28/6/2012 | Under implementation |
| **23** | Jamaica | Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security | Planning Institute of Jamaica (PIOJ) | $9,965,000 | $5,980,360 | 28/6/2012 | Under implementation |
| **24** | Lebanon | Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL) | IFAD | $7,860,825 | $1,589,200 | 28/6/2012 | Not Started |
| **25** | Mauritania | Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania | WFP | $7,803,605 | $3,930,312 | 28/6/2012 | Under implementation |
| **26** | Sri Lanka | Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka | WFP | $7,989,727 | $2,801,000 | 14/12/2012 | Under implementation |
| **27** | Argentina | Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province | WB | $4,296,817 | $584,154 | 14/12/2012 | Under implementation |
| **28** | Argentina | Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina | UCAR | $5,640,000 | $4,314,261 | 4/4/2013 | Under implementation |
| **29** | Guatemala | Climate change resilient production landscapes and socioeconomic networks advanced in Guatemala | UNDP | $5,425,000 | $1,238,046 | 14/09/2013 | Under implementation |
| **30** | Rwanda | Reducing Vulnerability to Climate Change in North West Rwanda through Community based adaptation. | MINIRENA | $9,969,619 | $6,874,413 | 01/11/2013 | Under implementation |
| **31** | Cuba | Reduction of vulnerability to coastal flooding through ecosystem-based adaptation in the south of Artemisa and Mayabeque provinces | UNDP | $6,067,320 | $2,250,719 | 20/02/2014 | Under implementation |
| **32** | Seychelles | Ecosystem Based Adaptation to Climate Change in Seychelles | UNDP | $6,455,750 | $1,272,217 | 20/02/2014 | Under implementation |
| **33** | Uzbekistan | Developing Climate Resilience of Farming Communities in the drought prone parts of Uzbekistan | UNDP | $5,415,103 | $1,424,612 | 20/02/2014 | Under implementation |
| **34** | Myanmar | Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar | UNDP | $7,909,026 | $2,456,700 | 27/02/2014 | Under implementation |
| **35** | Belize | Implement priority ecosystem-based marine conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef System | WB | $6,000,000 | $3,109,310 | 18/08/2014 | Under implementation |
| **36** | India | Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise | NABARD | $689,264 | $161,367 | 10/10/2014 | Under implementation |
| **37** | India | Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal | NABARD | $2,510,854 | $376,628 | 10/10/2014 | Under implementation |
| **38** | Costa Rica | Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors | FUNDECOOPERACION | $9,970,000 | $1,621,559 | 10/10/2014 | Under implementation |
| **39** | Kenya | Integrated Programme To Build Resilience To Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya | NEMA | $9,998,302 | $4,956,906 | 10/10/2014 | Under implementation |
| 40 | South Africa | Building Resilience in the Greater uMngeni Catchment | SANBI | $7,495,055 | $852,328 | 10/10/2014 | Under implementation |
| 41 | South Africa | Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change | SANBI | $2,442,682 | $190,986 | 10/10/2014 | Under implementation |
| 42 | Ghana | Increased resilience to climate change in Northern Ghana through the management of water resources and diversification of livelihoods | UNDP | $8,293,972 | $575,965 | 05/03/2015 | Under implementation |
| 43 | Mali | Programme Support for Climate Change Adaptation in the vulnerable regions of Mopti and Timbuktu | UNDP | $8,533,348 | $4,374,194 | 25/03/2015 | Under implementation |
| 44 | Nepal | Adapting to climate induced threats to food production and food security in the Karnali Region of Nepal | WFP | $9,527,160 | $ 2,341,906 | 01/04/2015 | Not Started |
| 45 | Indonesia | Adapting to Climate Change for Improved Food Security in West Nusa Tenggara Province | WFP | $5,995,666 | $ 0 | 11/05/2015 | Not Started |
| 46 | Jordan | Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through implementing innovative projects in water and agriculture in support of adaptation to climate change | MOPIC | $9,226,000 | $1,865,193 | 10/04/2015 | Not Started |
| 47 | Morocco | Climate changes adaptation project in oasis zones – PACC-ZO | ADA | $9,970,000 | $2,907,922 | 10/04/2015 | Under implementation |
| 48 | India | Building adaptive capacities of small inland fishers for climate resilience and livelihood security, Madhya Pradesh | NABARD | $1,790,500 | $447,620 | 10/04/2015 | Under implementation |
| 49 | India | Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities | NABARD | $969,570 | $165,933 | 09/10/2015 | Not Started |
| 50 | Chile | Enhancing resilience to climate change of the small agriculture in the Chilean region of O’Higgins | AGCI | $9,960,000 | $1,909,974 | 09/10/2015 | Not Started |
| 51 | India | Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu | NABARD | $1,344,155 | $470,454 | 09/10/2015 | Not Started |
| 52 | Peru | Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries | PROFONANPE | $6,590,239 | $ 0 | 18/03/2016 | Not Started |
|  |  |  | TOTAL | $337,230,037 |  |  |  |

**Table 2: Breakdown of the status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2016**

|  |  |  |
| --- | --- | --- |
| **Status** | [**Number**](https://www.adaptation-fund.org/funded_projects?order=field_project_country_value&sort=asc) **of projects/programmes** | **Total value (USD)** |
| **Not started** | 8 | $51,293,615 |
| **Under implementation** | 41 | $267,910,472 |
| **Completed** | 3 | $18,025,950 |

**Table 3: Active pipeline of project and programme proposals submitted to the Adaptation Fund but not approved as of 30 June 2016 -** Single-country proposals that had been submitted to the Adaptation Fund between 1 July 2015 and 30 June 2016 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.[[52]](#footnote-52)

|  |  |  |  |
| --- | --- | --- | --- |
| **Active pipeline of single-country proposals submitted to the Adaptation Fund during fiscal year 2016 (1 July 2015 to 30 June 2016)** | | | |
| **Country** | **Agency** | **Financing requested** | **Stage** |
| **NIE proposals** | | | |
| Antigua and Barbuda | ABED | $9,970,000 | Concept |
| Belize | PACT | $4,000,000 | Concept |
| India | NABARD | $2,514,561 | Concept |
| Micronesia (F.S. of) | MCT | $1,000,000 | Concept |
| Namibia | DRFN | $750,000 | Concept |
| Namibia | DRFN | $750,000 | Concept |
| Panama | Fundación Natura | $9,952,121 | Concept (endorsed) |
| Benin | FNE | $8,913,255 | Full proposal |
| Namibia | DRFN | $6,000,000 | Full proposal |
| Namibia | DRFN | $1,500,000 | Full proposal |
| Senegal | CSE | $1,351,000 | Full proposal |
| **Total, NIEs** |  | **$46,700,937** |  |
| **RIE proposals** | | | |
| Ecuador | CAF | $2,489,373 | Concept |
| Guinea Bissau | BOAD | $9,979,000 | Concept (endorsed) |
| Marshall Islands | SPREP | $7,560,000 | Concept |
| Peru | CAF | $2,236,925 | Concept (endorsed) |
| Togo | BOAD | $10,000,000 | Concept |
| Micronesia (F.S. of) | SPREP | $8,967,600 | Full proposal |
| Niger | BOAD | $9,911,000 | Full proposal |
| Uganda | OSS | $7,751,000 | Full proposal |
| **Total, RIEs** |  | **$58,894,898** |  |
| **MIE proposals** | | | |
| Lao People's Dem. Rep. | UN-Habitat | $4,500,000 | Full proposal |
| Albania | World Bank | $6,000,000 | Full proposal |
| **Total, MIEs** |  | **$10,500,000** |  |
| **Total, all IEs** |  | **$116,095,835** |  |

**Table 4: Active pipeline of project and programme proposals submitted to the Adaptation Fund but not approved as of 30 June 2016 -** Regional proposals that had been submitted to the Adaptation Fund between 1 July 2015 and 30 June 2016 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.[[53]](#footnote-53)

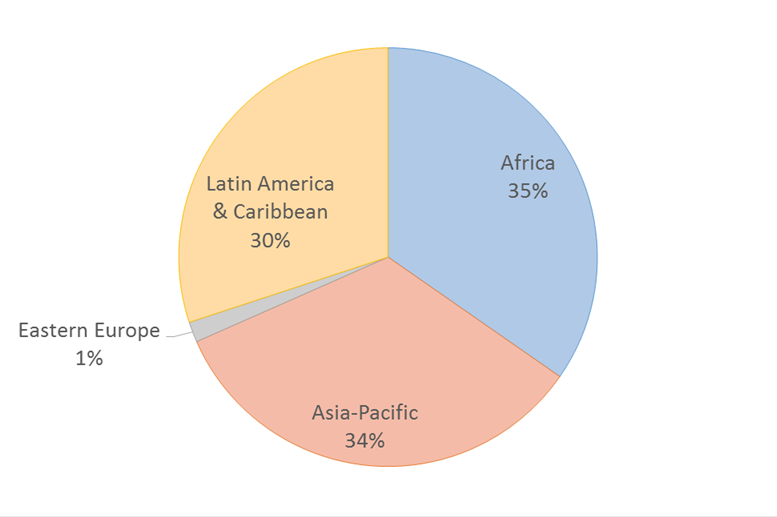
|  |  |  |  |
| --- | --- | --- | --- |
| **Active pipeline of single-country proposals submitted to the Adaptation Fund during fiscal year 2016 (1 July 2015 to 30 June 2016)** | | | |
| **Country** | **Agency** | **Financing requested** | **Stage** |
| **RIE proposals** | | | |
| Chile, Ecuador | CAF | $13,910,400 | Pre-concept (endorsed) |
| Benin, Burkina Faso, Ghana, Niger, Togo | BOAD | $14,000,000 | Concept |
| **Total, RIEs** |  | **$27,910,400** |  |
| **MIE proposals** | | | |
| Cambodia, Lao PDR, Myanmar, Thailand, Vietnam | UNESCO | $4,542,250 | Pre-concept (endorsed) |
| Colombia, Ecuador | WFP | $14,000,000 | Pre-concept (endorsed) |
| Cuba, Dominican Republic, Jamaica | UNDP | $4,969,367 | Pre-concept (endorsed) |
| Ethiopia, Kenya, Uganda | WMO | $6,800,000 | Pre-concept (endorsed) |
| Kyrgyzstan, Tajikistan, Uzbekistan | UNESCO | $5,000,000 | Pre-concept (endorsed) |
| Madagascar, Malawi, Mozambique and Union of Comoros | UN-Habitat | $15,088,553 | Pre-concept |
| Mauritius, Seychelles | UNDP | $4,900,000 | Pre-concept (endorsed) |
| Burundi, Kenya, Rwanda, Tanzania, Uganda | UNEP | $5,000,000 | Concept (endorsed) |
| **Total, MIEs** |  | **$60,300,170** |  |
| **Total, all IEs** |  | **$88,210,570** |  |

**Table 5: Overview of active pipeline of single-country and regional proposals under development**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Status** | **Submitted by NIE** | **Total value (USD)** | **Submitted by RIE** | **Total value (USD)** | **Submitted by MIE** | **Total value (USD)** | **Total** | **Total value (USD)** |
| **Single-country projects and programmes** | | | | | | | | |
| **Concept submitted, not endorsed** | 6 | $18,984,561 | 3 | $20,049,373 | 0 | $0 | 9 | **$39,033,934** |
| **Concept submitted, endorsed** | 1 | $9,952,121 | 2 | $12,215,925 | 1 | $4,500,000 | 4 | **$26,668,046** |
| **Full proposal submitted, not approved** | 4 | $17,764,255 | 3 | $26,629,600 | 1 | $6,000,000 | 9 | **$50,393,855** |
| **Regional projects and programmes** | | | | | | | | |
| **Pre-concept submitted, not endorsed** | - | - | 0 | $0 | 1 | $15,088,553 | 1 | **$15,088,553** |
| **Pre-concept submitted, endorsed** | - | - | 1 | $13,910,400 | 6 | $40,211,617 | 7 | **$54,122,017** |
| **Concept submitted, not endorsed** | - | - | 1 | $14,000,000 | 0 | $0 | 1 | **$14,000,000** |
| **Concept submitted, endorsed** | - | - | 0 | $0 | 1 | $5,000,000 | 1 | **$5,000,000** |
| **Full proposal submitted, not approved** | - | - | 0 | $0 | 0 | $0 | 0 | **$0** |

Annex VIII: Sectoral and geographical breakdowns of the AF portfolio of projects and programmes

**Table 6: Geographical breakdown of the AF portfolio of projects and programmes**



**Table 7: Sectoral breakdown of the AF portfolio of projects and programmes**



1. Decision 10/CP.7. [↑](#footnote-ref-1)
2. Decision 1/CMP.3, para. 3. [↑](#footnote-ref-2)
3. 2 NIEs were accredited through streamlined accreditation process. [↑](#footnote-ref-3)
4. <<http://www.adaptation-fund.org>>. [↑](#footnote-ref-4)
5. Decision B.27/33. [↑](#footnote-ref-5)
6. Decision B.27/34. [↑](#footnote-ref-6)
7. Re-accredited implementing entities are: the World Bank (IBRD), United Nations Development Programme (UNDP), Asian Development Bank (ADB), International Fund for Agricultural Development (IFAD), World Food Programme (WFP), United Nations Environment Programme (UNEP), UN-Habitat, Centre de Suivi Ecologique (CSE), and Planning Institute of Jamaica (PIOJ). [↑](#footnote-ref-7)
8. Decision 1/CMP.11, para. 11. [↑](#footnote-ref-8)
9. <https://www.adaptation-fund.org/contact/>. [↑](#footnote-ref-9)
10. Decision 2/CMP.10, para 8. [↑](#footnote-ref-10)
11. <http://www.adaptation-fund.org/wp-content/uploads/2014/09/AF-ResultstrackerGuidance-final.pdf>. [↑](#footnote-ref-11)
12. Decision 2/CMP.10, para. 6. [↑](#footnote-ref-12)
13. Decisions of the thirteen meeting of the Board are *available at* <http://www.greenclimate.fund/boardroom/on-record/documents?p_p_id=122_INSTANCE_8e72dTqCP5qa&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=_118_INSTANCE_jUGwSITWV8c5__column-2&p_p_col_count=1&p_r_p_564233524_resetCur=true&p_r_p_564233524_categoryId=226884#nav-category>. [↑](#footnote-ref-13)
14. *See* Decisions of the thirteen meeting of the Board, supra note 11. [↑](#footnote-ref-14)
15. Decision B.25/28. [↑](#footnote-ref-15)
16. *See* document AFB/B.25/6/Rev.2. [↑](#footnote-ref-16)
17. Decision B.25/27. [↑](#footnote-ref-17)
18. Reports and presentations from all readiness seminars and webinars are *available at* <https://www.adaptation-fund.org/readiness/news-seminars/>. [↑](#footnote-ref-18)
19. Decision B.27/38. [↑](#footnote-ref-19)
20. Decision B.21/28. [↑](#footnote-ref-20)
21. *See* document AFB/B.27/7. [↑](#footnote-ref-21)
22. Decision 1/CMP.11, para 4(a). [↑](#footnote-ref-22)
23. *Id.* para 10. [↑](#footnote-ref-23)
24. Decision 27/36. [↑](#footnote-ref-24)
25. Decision 1/CP.21, para. 59. [↑](#footnote-ref-25)
26. *Id.* para. 60. [↑](#footnote-ref-26)
27. Decision 1/CMP.11, paras. 8 and 9. [↑](#footnote-ref-27)
28. See Report of the twenty seventh meeting of the Adaptation Fund Board (document AFB/B.27/10/Rev.1), paras. 94-106. [↑](#footnote-ref-28)
29. *Id.* para. 96. [↑](#footnote-ref-29)
30. *Id.* para. 103. [↑](#footnote-ref-30)
31. Decision 1/CP.21, paras. 59 and 60. [↑](#footnote-ref-31)
32. Decision 1/CMP.11, paras. 8 and 9. [↑](#footnote-ref-32)
33. Paris Agreement, Art. 7. [↑](#footnote-ref-33)
34. *Id.*. [↑](#footnote-ref-34)
35. *Id.* Art. 14.1. [↑](#footnote-ref-35)
36. *See* document FCCC/CP/2016/2, paras. 59-74. [↑](#footnote-ref-36)
37. <https://www.adaptation-fund.org/documents-publications/>. [↑](#footnote-ref-37)
38. Paris Agreement, Art. 9.4. [↑](#footnote-ref-38)
39. *Id.*. [↑](#footnote-ref-39)
40. *Id.* Art. 6.4, 6.6. [↑](#footnote-ref-40)
41. The list of entities potentially eligible for fast-track accreditation process, which the GCF Board has approved as at May 2016 is available at <http://www.greenclimate.fund/documents/20182/319135/GCF_Completing_a_fast-track_accreditation_application_v3.0_May_2016.pdf/7001d3be-e344-4643-b6e4-5b80e853b279>. In addition, the list of GCF’s accredited entities are available at <http://www.greenclimate.fund/partners/accredited-entities>. [↑](#footnote-ref-41)
42. Decision 1/CMP.8, paras. 20-22. [↑](#footnote-ref-42)
43. Paris Agreement, Art. 11. [↑](#footnote-ref-43)
44. Members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms (see decision 1/CMP.3). At the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, half of the members of the Adaptation Fund Board, and their alternate members from the same group, shall continue to serve in office for one additional and final year. The terms as members do not count towards the terms as alternate members, and terms as alternate members do not count towards the terms as members (see decision 1/CMP.4). [↑](#footnote-ref-44)
45. The term of office of a member, or an alternate, shall start at the first meeting of the Board in the calendar year following his or her election and shall end immediately before the first meeting of the Board in the calendar year in which the term ends (see decision 4/CMP.5). [↑](#footnote-ref-45)
46. This increase is justified by the conversion of two current non-renewable staff positions to GE level term contracts and the replacement of the operations associate currently on extended sick leave. [↑](#footnote-ref-46)
47. This increase is justified by the increased cost in office space as a result of the unavoidable move of the secretariat offices to a new building. [↑](#footnote-ref-47)
48. This is due to lower rentals in the new office space [↑](#footnote-ref-48)
49. This increase is justified by the increased costs for the Board meetings due to the introduction of a fee for the usage of common conference rooms at the UN Campus in Bonn. [↑](#footnote-ref-49)
50. Sum of minor expenses taken out of the approved budget for Phase II of the overall evaluation in order to conclude Phase I. These expenses include costs incurred for the consultant to present findings of Phase I of the overall evaluation to the Board at its 26th meeting. Phase II of the overall evaluation initially scheduled for FY16 will now be implemented in FY17. See paragraph 10 of this report. [↑](#footnote-ref-50)
51. These are estimated costs for Phase II of the overall evaluation initially scheduled for FY16 which will now be implemented in FY17. The increase in estimated costs to US$ 400,000 is because Phase II also focusses on evaluating projects and not only the Fund processes as was the case in Phase I. [↑](#footnote-ref-51)
52. Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the government of the prospective recipient country are included. [↑](#footnote-ref-52)
53. Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the governments of all prospective recipient countries are included. [↑](#footnote-ref-53)