



ADAPTATION FUND

AFB/B.28/3
1 October 2016

Adaptation Fund Board
Twenty-eighth meeting
Bonn, Germany, 4-7 October 2016

Agenda item 4

REPORT ON ACTIVITIES OF THE SECRETARIAT

Background

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

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

2. Following the twenty-seventh meeting held in Bonn, Germany on 17-18 March, 2016, the secretariat supported the Chair in finalizing the report of the meeting. As agreed by the Board, the report was completed and circulated to Board members and alternates for comments and approval. The Board approved the report and it was posted on the website of the Adaptation Fund (the Fund) as document AFB/B.27/9/Rev.2.

Events and meetings

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

- (a) The “Investing in the Future We Want: Finance for Climate Change and Sustainable Development” meeting (21–23 March 2016, Tarrytown, United States of America), jointly organized by the World Resources Institute (WRI) and the Overseas Development Institute (ODI). A member of the secretariat participated in the meeting and brainstorming sessions on how to better reconcile the objectives of the Paris Agreement and the Sustainable Development Goals, in a context of constrained public finance and opportunities to leverage private sector funding to address climate change.
- (b) Third meeting of the “Global network of basins working on climate change adaptation” organized by the UN Economic Commission for Europe (UNECE) (Geneva, Switzerland, 6-7 April 2016): a member of the secretariat delivered a presentation on the topic of “Financing basin-wide adaptation, how can we support the basins in finding funds?”
- (c) The Oceania 22 Summit (Noumea, New Caledonia, 11-13 April 2016): the secretariat gave a remote “focus presentation” in a round table on finance, presenting the Adaptation Fund as a case example, especially from the perspective of how Pacific Small Island Developing States can access the Fund’s resources.
- (d) Ministerial Conference on Adaptation of African Agriculture to climate change (AAA), in the margins of the Eleventh International Exhibition on Agriculture of Meknes (SIAM, Meknes, Morocco, 28 April 2016): a member of the secretariat made a remote presentation on the Adaptation Fund to an audience of seventeen ministers of Agriculture from Africa and France. Following the presentation, the representative of the secretariat responded to questions from the ministers in the room.
- (e) Climate Finance Readiness Webinar: The secretariat organized the second webinar, as part of the overall Readiness Programme. It was held on 28 April 2016 and discussed the topic of knowledge management. 21 representatives from nine National Implementing Entities (NIEs) attended the webinar and shared experiences and lessons in implementing knowledge management systems within their entities in alignment with the Fund’s knowledge management strategy. Among those who

gave presentations were the Climate Investment Funds (CIF) and two of the Fund's NIEs, *Fundecooperación para el Desarrollo Sostenible* from Costa Rica, and *Unidad para el Cambio Rural* (Unit for Rural Change - UCAR) from Argentina.

- (f) The secretariat participated in the fourth biennial global adaptation conference, with the title *Adaptation Futures 2016*, which was held in Rotterdam, the Netherlands, on 10-13 May 2016. During the conference, the secretariat arranged a “practice session” with the theme “Direct access to adaptation funding: 5 years of experience by pioneering organizations”, where representatives from NIEs in the Federated States of Micronesia, India and South Africa shared their experiences. A representative of the secretariat also participated as a speaker in a “science-practice session” on evidence-based learning organized by the GEF Independent Evaluation Office, where he spoke about the readiness programme’s experience on South-South cooperation.
- (g) The forty-fourth sessions of the Subsidiary Body for Implementation (SBI 44) and Subsidiary Body for Scientific and Technological Advice (SBSTA 44) as well as the first session of the Ad Hoc Working Group on the Paris Agreement (APA 1) (16-26 May 2016): The manager and two members of the secretariat supported the Chair who represented the Fund in the negotiations related to the Fund, especially the contact group on the third review of the Fund. The secretariat also arranged a well-attended side-event with the title “Adaptation Fund: Helping Countries Adapt to Climate Change thru Range of Flexible Finance Modalities”, which was opened by the Chair and closed by the Manager, and with speakers from NIEs in Antigua and Barbuda and Morocco, as well as from the RIE Secretariat of the Pacific Regional Environment Programme (SPREP) and from the Adaptation Fund NGO Network. In addition, the secretariat arranged a contributor dialogue, which was chaired by H.E. Ms. Anna Lindstedt, Ambassador for Climate Change of Sweden. The secretariat also had bilateral meetings with the present (France) and incoming (Morocco) COP Presidency, and with the Government of Canada.
- (h) Bilateral meetings at the Italian Ministry of Environment (Rome 27 May, 2016) with the Francesco La Camera Director General for Sustainable Development, Energy and Climate at the Italian Ministry of Environment, Land & Sea and French Ministry of Foreign Affairs and International Development (Paris, France, 30 May 2016, with the Director for sustainable development of the Ministry of foreign affairs and international development, Mr. Frederic Bontems): the Manager, members of the secretariat and the Board members participated into this meetings during which the following topics were discussed: i) current operations and resources of the Fund; ii) situation of the Fund with respect to the Paris agreement and; iii) perspective of the Italian and French government with respect to the Paris Agreement. The 5th Meeting of the Durban Forum on capacity building held on 20th May 2016 during the forty-fourth session of the Subsidiary Body for Implementation. The Fund presented in Part 1 and facilitated one of the group to discuss capacity building related to converting INDC’s into action, accessing financing and meeting transparency requirements (FCCC/SBI/2016/14).
- (i) A representative of the secretariat gave a remote presentation to 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).

- (j) Monitoring mission to project sites in Mongolia (12-18 June, 2016): Two representatives of the secretariat and a Board member visited the project implemented by the United Nations Development Programme in Mongolia. The mission had targeted this project for the following reasons: i) it enabled to explore implications of the Ecosystem-Based Adaptation (EBA) approach, including its efficiency, effectiveness and sustainability; ii) it allowed drawing lessons from the valuation of ecosystem services; and iii) it allowed taking stock of the arrangements for monitoring and evaluation, and the value of mid-term review in adjusting progress towards results. The findings and lessons learned from that mission will be presented during the present Board meeting;
- (k) Thirteenth Meeting of the Green Climate Fund Board (28-30 June, 2016, Songdo, Korea): A member of the secretariat participated in meeting that provided an opportunity to observe the work of the GCF Board, including its deliberations on number of issues, including the nine funding proposals, strategy on accreditation, transition of the Executive Director, staffing of the secretariat, independent redress mechanism (IRM), complementarity and coherence with other funds, resource mobilization and readiness. The meeting also offered an opportunity to have exchanges with members of the Board, and representatives from governments, implementing entities, and non-governmental organizations.
- (l) Climate Finance Readiness Seminar Series: As part of the overall Readiness Programme, the secretariat organized its third annual readiness seminar for the Fund's national implementing entities (NIEs) in Washington DC from 13-15 July 2016, this annual event which is now hosted specifically for accredited NIEs of the Fund, brought together 19 accredited NIEs. Two regional RIEs and one MIE also attended the event. The seminar provided an exclusive experience sharing platform for NIEs and presented an opportunity for the new NIEs to familiarize with the Funds updated operational policies and procedures. Key discussions also included the Fund's gender policy, which was approved in March 2016.
- (m) Tenth meeting of the UNFCCC Adaptation Committee (13-16 September 2016, Bonn, Germany): A member of the secretariat participated into this meeting as an observer. The agenda of the meeting included, *inter alia*, supporting the implementation of the Paris outcome, and the following four different work streams: i) Technical support and guidance to the Parties on adaptation action; ii) technical support and guidance to the Parties on means of implementation; iii) awareness-raising, outreach and sharing of information and iv) technical examination process on adaptation. The Board and certain other bodies under the Convention was invited during the forty-fourth sessions of the subsidiary bodies of the Convention to join the National Adaptation Plan (NAP) Task Force of the Committee.
- (n) Climate Finance Readiness Workshops: The secretariat organized four Regional Climate Finance Readiness Workshops as part of the overall Readiness Programme. The first was held from 3-5 May 2016 in Casablanca, Morocco for Francophone countries in Africa and was co-hosted by the *Institute de la Francophonie pour le Développement Durable* (IFDD), the Agency for Agricultural Development (ADA), an accredited NIE of the Fund, and the *Project Centre de Competences Changement Climatique* (4C) Maroc. The workshop shared best practices and lessons learnt from the accreditation and project development processes of the Fund's pioneering Direct Access modality. The second workshop was held from 7-9 June 2016 in Tegucigalpa, Honduras in partnership with the

Central American Bank for Economic Integration (CABEI), an RIE of the Fund. The workshop, which focused on Latin America and the Caribbean region and the Group of Latin American and Caribbean (GRULAC) countries, facilitated the exchange of knowledge and experience within the region, and strengthened the capacity of implementing entities to design, develop and implement adaptation projects, taking into account gender considerations and harmonizing them with country development priorities.

The third workshop was held from 23-25 August 2016 in Mumbai, India and co-hosted by the National Bank for Agriculture and Rural Development (NABARD) of India and the United Nations Environment Programme Regional Office for Asia and the Pacific (UNEP ROAP). The workshop focused on Asia, Asia-Pacific Region & Eastern Europe and covered capacity building for accreditation, project development and implementation with the Fund, as well as multi-stakeholder collaboration in the process to gain access to the Fund's Direct Access modality. Lastly, the secretariat organized a Climate Finance Readiness Workshop for the Middle East and North Africa (MENA) Region, which was held from 6-8 September in Rabat, Morocco and in partnership with the Agency for Agricultural Development (ADA) of Morocco. The workshop focused on increasing awareness and understanding of the Fund's accreditation process and requirements in the region and sharing experiences in project design and development. The workshop also focused on promoting the Fund's main goals at COP 22, which would be (i) to make progress towards the implementation of the roadmap; and (ii) to keep making efforts for resources mobilization. More details on the outcome of the above workshops and seminar are presented in Annex I.

In the margins of the climate finance readiness workshop organized in Rabat, the Manager and representatives of the secretariat met with the Minister of Agriculture and Maritime Fisheries of Morocco, Mr. Aziz Akhannouch, the Minister Delegate to the Minister of Energy, Mining, Water and Environment, for the environment, Ms. Hakima El Haite, the Designated Authority for the Adaptation Fund Mr. Mohamed Nbou, the President of the Economic, Social and Environmental Council of Morocco, Mr. Nizar Barak, and the Ambassador for multilateral negotiations of Morocco, Mr. Aziz Mekouar. They also visited on 10 and 11 September 2016 the sites of the project "Climate changes adaptation project in oasis zones – PACC-ZO" implemented by ADA and executed by the National Agency for Development of Oases and Argan Tree Zones (ANDZAO).

- (o) "Metrics of Adaptation Conference – Measuring adaptation for Concrete Action" organized by the incoming COP22 Presidency (Skhirat, Morocco, 27 September 2016): A representative of the secretariat represented the Fund and participated in the closing panel of the conference.
- (p) Ecosystem Management Capacity Building Frameworks for Greater Mekong Sub region (GMS) High-Level Workshop (29-30 September 2016) jointly organized by the United Nations Environment Programme (UNEP) International Ecosystem Management Partnership and China-ASEAN Environmental Cooperation Center (CAEC), and funded by the Ministry of Environmental Protection of China. A representative of the secretariat represented the Fund in a panel session during the event at the request of UNEP.

- (q) High Level International Event on the initiative Africa Adaptation Agriculture (AAA), organized by the Ministry of Agriculture of Morocco (Marrakech, 29-30 September 2016): A representative of the secretariat participated in the event, at the invitation of the Minister of Agriculture.

Preparations for the twenty-eighth Board meeting

Meeting arrangements

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

Meeting documents

5. The secretariat, working closely with the Board and Committee Chairs and Vice-Chairs, and the trustee, prepared the documents for the twenty-seventh Board meeting and for the eighteenth meetings of the Project and Programme Review Committee (PPRC), and of the Ethics and Finance Committee (EFC).
6. The full list of documents is contained in document AFB/B.28/Inf.1, List of documents.

Membership of the Board

7. During the reporting period, Mr. Ewans Nijewa (Malawi, Least Developed Countries) resigned from the Board and was replaced by Mr. Chebet Maikut (Ethiopia, Least Developed Countries) as Alternate Member.

Intersessional decisions approved by the Board

8. The secretariat, in consultation with the Board Chair and Vice-Chair, prepared and circulated draft decision texts, of which thirty were approved by the Board during the intersessional period. All the decisions listed below have been posted on the Fund website.
- B.27-28/1: Approval request for extension of programme completion date-Jamaica
 - B.27-28/2: Approval of second tranche for project in Mauritius (WFP)
 - B.27-28/3: Re-accreditation of PIOJ (Jamaica) as a National Implementing Entity
 - B.27-28/4: Approval request for extension of programme completion date-Ecuador
 - B.27-28/5: Agreement with the United Nations Foundation for the collection of online donations
 - B.27-28/6: Appointment of Alternate Board Member representing Least Developed Countries
 - B.27-28/7: Approval of second tranche for project in Belize (World Bank)
 - B.27-28/8: Approval of fourth tranche for project in Papua New Guinea (UNDP)
 - B.27-28/9: Approval of fourth and fifth tranches in Maldives (UNDP)
 - B.27-28/10: Approval of fifth tranche for project in Mongolia (UNDP)
 - B.27-28/11: Approval of budget revision for project in Tanzania (UNEP)
 - B.27-28/12: Re-accreditation of BOAD as a Regional Implementing Entity
 - B.27-28/13: Endorsement of proposal for Antigua and Barbuda
 - B.27-28/14: Non-approval of proposal for Panama
 - B.27-28/15: Non-approval of proposal for Senegal

- B.27-28/16: Approval of proposal for Niger
- B.27-28/17: Approval of proposal for Uganda
- B.27-28/18: Accreditation of MFEM as a National Implementing Entity
- B.27-28/19: Report of the Adaptation Fund Board to CMP12
- B.27-28/20: Approval of fourth tranche for project in Eritrea (UNDP)
- B.27-28/21: Approval of second tranche for project in Seychelles (UNDP)
- B.27-28/22: Approval of fourth tranche for project in Uruguay (ANII)
- B.27-28/23: Approval of second tranche for project in Argentina (World Bank)
- B.27-28/24: Approval of third tranche for project in Samoa (UNDP)
- B.27-28/25: Approval of third tranche for project in Madagascar (UNEP)
- B.27-28/26: Approval of third tranche and request for extension of project completion date - Egypt (WFP)
- B.27-28/27: Re-accreditation of the World Meteorological Organization (WMO) as a Multilateral Implementing Entity
- B.27-28/28: Effectiveness and efficiency of the accreditation process - finalized accreditation guidance note on the environmental and social policy and gender policy
- B.27-28/29: Project cancellation: United Nations World Food Programme (Indonesia)
- B.27-28/30: Approval of request for programme extension: UNDP (Turkmenistan)

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

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

9. The secretariat informed multilateral implementing entities (MIE) and regional implementing entities (RIE) that the call for proposals under the pilot programme for regional projects and programmes is still open and to encourage them to submit proposals to the Board at its twenty-eighth meeting, taking into consideration the cap established by decision B.25/28.

Grants for projects under the readiness programme

10. During the reporting period the secretariat had launched a call for proposals for readiness grants in July 2016 which are currently under review. The calls included:

- Five South-South cooperation grants of up to US\$ 50,000 per NIE.
- Six technical assistance grants for ESP and Gender of up to US\$ 25,000 per NIE.
- Ten technical assistance grants for Gender of up to US\$ 10,000 per NIE.

Evaluation of the Fund

11. The secretariat supported the Evaluation task force of the Board to develop terms of reference and request for proposal for the second stage of the overall evaluation of the Fund. The secretariat also prepared updated options for conducting phase II of the evaluation (portfolio evaluation) contained in document AFB/EFC.19/4, and options for providing the Fund with an evaluation function contained in document AFB/EFC.19/5, both for consideration by the EFC at its nineteenth meeting. As decided by the Board, the secretariat has added to the twenty-eighth meeting of the Board's agenda an item on

pending recommendations arising out of the first stage of the overall evaluation of the Fund and has prepared the document AFB/B.28/Inf.6.

Effectiveness and efficiency of the accreditation process

12. In accordance with the Board decision AFB/B.27/27, the secretariat has finalized in consultation with the Accreditation Panel the accreditation guidance notes on the environmental and social policy (Schedule 8) and gender policy (Schedule 9) and intersessionally submitted to the Board for its consideration. The Board intersessionally considered and approved the accreditation guidance notes on the ESP and gender policy (Decision B/27-28/28).

Gender-related policies and procedures of the Fund

13. The secretariat, in accordance with decision B.27/28, revised the annex 4 to the operational policies and guidelines for Parties to access resources from the Adaptation Fund (the OPG) (currently the annex 5 to the OPG) taking into account comments received by members of the Board by 30 June 2016 for consideration by the EFC at its nineteenth meeting.

Investment income

14. Following the mandate in decision B.26/36 and the Decision AFB/EFC. 18/10, the secretariat prepared document AFB/EFC.19/9, investment income earned by implementing entities, for consideration by the EFC at its nineteenth meeting. The document contains a recommendation to the Board launch a survey among all implementing entities to report to the secretariat, by February 2017 their yearly investment income, if available, for the financial years 2014, 2015 and 2016.

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

15. Following the mandate by the Board, the Board's Chair met with one of the GCF Co-Chairs in the margins of the forty-fourth sessions 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. The secretariat met with two representatives of the GCF, the General Counsel and the Acting Director of Private Sector Facility, on 25 August 2016 at the headquarters of the Adaptation Fund Board secretariat in Washington DC. The secretariat of the Fund and the representatives of the GCF exchanged views on how to implement a mutually beneficiary complementarity and coherence among the funds. The secretariat shared with the representatives of the GCF its ideas on possible joint activities in the areas of complementarity and coherence identified by the Board in decision AFB/B.25/26. The secretariat also updated document AFB/B.27/6, and the updated information is contained in document AFB/B.28/6. In addition, the manager of the secretariat and the two senior climate change specialists met with the Co-Chair of the GCF Board, the Executive Director ad Interim, and an officer of the secretariat in New York in the sidelines of the United Nations General Assembly.

Options for a framework for a medium-term strategy

16. Following the mandate in decision B.27/39, the secretariat prepared, for consideration by the Board at its twenty-eighth meeting, a document presenting options for

a framework for a medium-term strategy for the Fund, reflecting the strategic priorities of the Fund approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and taking into account the findings of the Phase I of the Overall Evaluation of the Fund, as well as, inter alia, the following matters: (i) The financial situation of the Adaptation Fund, including the work done for resource mobilization for the Fund; (ii) The progress being made on accreditation of implementing entities and developing readiness to access adaptation finance; (iii) Allocation of funds, including the cap of 50 per cent set for proposals submitted by multilateral implementing entities by decision B.12/9, the cap per country set by decision B.13/23 and consideration of regional projects and programmes within and beyond the pilot programme for regional projects and programmes set up by decision B.25/28; and (iv) The discussion on potential linkages between the Adaptation Fund and the Green Climate Fund (GCF). In undertaking this work, the secretariat used the services of an external consultant. The options are contained in document AFB/B.28/7.

Resource mobilization strategy

17. Following the mandate in decision B.27/36, the secretariat, in collaboration with the Resource Mobilization Task Force, prepared a draft update for the resource mobilization strategy of the Fund. The draft updated strategy is presented in document AFB/B.28/8.

Communications

18. The secretariat provided a steady stream of engaging website and digital content, and continued to raise the Fund's profile through creative outreach activities. Since the last board meeting, 18 news releases have been published on the website and disseminated through the Fund's email and distribution networks. These have covered topics such as regional workshops, new accreditations and project approvals, project updates, the AF photo contest, and new AF programs, milestones and announcements. New country project stories on Uruguay (published), Morocco (in progress), scaling up examples (Costa Rica, Senegal), have also been published or are close to being published with beneficiary commentaries, photos from the field and translated in three languages. In addition, 26 short videos for the Fund's YouTube channel have been created on workshops, projects and countries. Furthermore, several speeches were written for the secretariat leadership containing targeted messages to introduce regional Adaptation Fund climate finance readiness workshops in Casablanca, Honduras, Washington, DC (global), India, and Rabat, as well as overall progress of the Fund on the road to Marrakech in COP22. Many of these were recorded remotely as videos and shown as high level welcome intros to the seminars. They were well-received and gave the Fund additional opportunities to spread its key messages to large audiences.

19. The secretariat raised the Fund's profile internationally by launching a global photo contest on Adapting Coasts and Watersheds to coincide with Earth Day and the Paris Signing Ceremony on April 22. The contest news release was widely disseminated through social media, email lists, Constant Contact networks, and implementing and executing entities working on the Fund's projects on the ground, as well as NGOs, news media and the general public. It drew 127 excellent submissions from all over the world. Through an independent panel of judges, three top winners were selected along with 8 honourable mentions and a separate 'People's Champion' was selected through an open vote on Facebook. It raised the Fund's website and social media engagements on an international level significantly during this time, and the winners were prominently displayed and very

well-received during the Fund's Global NIE Climate Finance Readiness Seminar in Washington, D.C. in July 2016.

20. Through its consistent stream of fresh and compelling new content, the Fund's website engagement steadily increased from March – August, 2016. The number of page views totalled 220,642, an 18.3% increase over the previous six months. The number of unique visitors rose to 22,165, which translates to an average monthly number that is 37% higher than in 2015. Lastly, the bounce rate which is an indicator of whether viewers are staying on the site or leaving right away once they tune in, dropped to just 21.4% (below 50% is considered good). This was a 13.2% decrease from the previous six months.

21. The secretariat's assertive and targeted approach to social media launched in August 2015 has continued to produce positive upward growth. The number of Twitter followers reached 6,000 in September, which is a more than 2,000 increase since the new strategy launched just over a year ago. Twitter has worked hand in hand with the content on the Fund's website, and has also served to enhance partnerships with NIEs, NGOs, media, and other international climate organizations. Facebook page has also experienced growth, although more gradual, rising to 10,700 likes. Its strength has been more in the ability to tell longer stories with photo albums and high community engagement. The Fund has further greatly enhanced use of its online photo sharing channel Flickr, creating new engaging photo albums on workshops and project field visits to Morocco, South Africa, Uruguay, Argentina, Honduras, Djibouti, Rwanda, Mauritius, and the Global DC Readiness Seminar. The Fund's new LinkedIn page has provided the Fund with an additional resource to share high level content to like-minded partners, as well. At the same time, the secretariat has expanded its more traditional means of sharing its stories. It has accomplished this through greatly expanding its email lists on its story and e-newsletter sharing service, Constant Contact, as well as its networks that receive the latest AF news. This has also led to steady interest from the media around AF announcements and events, and media coverage at the country and regional levels, including Huffington Post Maroc and L'Economiste, as well as international levels such as Devex, Voice of America, and Climate-L. Other large well-known media have begun to follow Adaptation Fund news through our networks and begun to express interest in the Fund's work, as well. This includes reporters from the New York Times, Guardian, NBC News and Foreign Policy Magazine.

22. The secretariat has launched extensive communications planning for COP22. It is establishing a new comprehensive COP22 micro website that will detail full Adaptation Fund activities, goals, information and agendas at COP22 in Morocco, climate change issues and adaptation in Morocco and the MENA region, and all AF news related to COP22. It will also feature an announcement with the Fund's specific fundraising goals for COP22, which should help the Fund's digital and traditional outreach efforts to reach its fundraising targets this year. The secretariat will also hold a Side Event on Family and Sustainable Agriculture, which will feature presentations from national, multilateral and regional implementing entities on Adaptation Fund projects about this theme, as well as AF and NGO staff. A Contributor Dialogue to update the donor community on the Fund's financing goals is also being planned. In addition, the secretariat is planning a new multimedia exhibit that will feature new sets of AF project photos from a variety of countries, as well as two new videos: one on the Fund's new gender policy and the importance of gender in AF projects, and another on the Fund's work in Morocco and its goals for COP22. Furthermore, new flyers in English, French and Spanish will be created depicting the Fund's latest project and accreditation numbers, as well as the new Morocco project story. A new product, an Adaptation Fund bookmark depicting the Fund's story summary with project examples and information links will be handed out at the conference along with AF-branded materials such

as bags and pens. This will allow the Fund to comply with UNFCCC's request to go paperless at the conference, something the Fund did last year and earned the Fund the UN's highest Green Rating Award following the COP21 event.

23. The secretariat continued to retain the services of an IT consultant firm, REI Systems, that is being engaged to maintain all three websites in FY17 that the Fund currently has: the primary public Adaptation Fund website, a knowledge exchange website Climate Finance Ready co-managed with the Climate and Development Knowledge Network (CDKN), and Accreditation Workflow, a password-protected website for the entity accreditation process. The secretariat continued to develop usability and content of the Adaptation Fund website and Accreditation Workflow, and the collaboration with the CDKN was also strengthened to produce relevant climate finance readiness content on the Climate Finance Ready website. The secretariat is continuing to work closely with the consultant firm REI systems and the hosting providers to keep all the websites compliant with the World Bank Group security requirements.

Knowledge management

24. The secretariat has updated the Fund's Knowledge Management Strategy which was previously approved in 2012, and developed an Action Plan covering 2016 to 2018. The strategy and action plan are submitted to the Board for approval at its twenty-eighth meeting. The updated strategy and action plan is contained in document AFB/EFC.19/6 "Updated Knowledge Management Strategy and Action Plan".

Support to the Accreditation Panel

25. The secretariat worked closely with the Panel Chair and Vice-Chair and assisted the Panel in its discussions. The twenty-third Panel meeting was held on 29-30 August 2016 in Washington DC, USA. The Panel reviewed applications for accreditation and re-accreditation and efficiency and effectiveness of the accreditation process. The secretariat facilitated the Panel's completion of their reviews on one re-accreditation application. The Panel recommended re-accreditation of the World Meteorological Organization (WMO) as a Multilateral Implementing Entity (MIE) of the Fund at its twenty-third meeting. After considering the recommendation by the Panel, the Board intersessionally approved re-accreditation of the WMO as MIE of the Fund by its decision B.27-28/27. The Panel also continued its review of the applications of eleven National Implementing Entity (NIE) candidates and one Regional Implementing Entity (RIE) candidate.

26. In line with the Board decision B.27/27, the secretariat has finalized in consultation with the Panel the accreditation guidance notes on environmental and social policy (Schedule 8) and gender policy (Schedule 9) and intersessionally submitted to the Board for its consideration. The Board intersessionally considered and approved these guidance notes (Decision B.27-28/28). The secretariat also updated accreditation application form in consultation with the Accreditation Panel in order to further clarify the supporting documentation to comply with the Legal capacity and the Fiduciary standards and to make the application form in line with the Fund's Gender Policy. The updated Accreditation Application Form is available as an Addendum to the document AFB/B.28/4/Add.1.

27. Since the inception of the accreditation process, the secretariat has received and screened 103 applications: 79 from non-Annex I Parties, 11 from regional organizations and 13 from multilateral organizations and development banks. The Panel has so far reviewed

69 applications: 47 from non-Annex I Parties, nine from regional organizations and development banks, and 13 from multilateral organizations and development banks.

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

| | NIE | RIE | MIE |
|---|------------|------------|------------|
| Accredited | 24 | 6 | 12 |
| Not accredited | 8 | 1 | 0 |
| Under review by Accreditation Panel | 10 | 1 | 0 |
| Screened by secretariat pending completion of accreditation application | 5 | 0 | 0 |

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

Screening/technical review of project/programme proposals

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

Review of Project Performance Reports (PPRs)

29. The Secretariat has completed the review and cleared the first Project Performance Reports (PPR) for the project implemented in Mauritania (WFP, inception date: August 2014), Belize (World Bank, inception date: March 2015), the second PPR for the project implemented in Seychelles (UNDP, inception date: June 2014), the third PPR for the projects implemented in Maldives (UNDP, inception date: June 2012), Eritrea (UNDP, Inception date: November 2012), Uruguay (ANII, inception date: October 2012), Madagascar (UNEP, inception date: October 2012), Egypt (WFP, inception date: March 2013) Papua New Guinea (UNDP, inception date: July 2012), the fourth PPR for the projects implemented in Mongolia (UNDP, inception date: June 2012), Samoa (UNDP, inception date: January 2013) and Solomon Islands (UNDP, inception date: June 2011). The project in Ecuador (WFP), Jamaica (PIOJ) and Turkmenistan (UNDP) separately requested the Board to approve the extension of the project completion dates. In addition, the PPR for Tanzania (UNEP) was submitted together with a request to the Board to approve a budget revision. The secretariat submitted these reports and corresponding reviews to the Board, and the Board approved through intersessional decisions subsequent financing tranches for the projects in Belize, Eritrea, Maldives, Mauritania, Mongolia, Papua New Guinea, Samoa, Seychelles, Uruguay, and approval of budget revision for Tanzania (Decision B.27-28/11). The PPRs were also made publicly available on the Fund's website. The secretariat is continuing the review of PPRs for projects in Djibouti (UNDP), Myanmar (UNDP) and Rwanda (MINIRENA).

Personnel

30. The Manager of the secretariat will step down from her position, effective 22 October 2016, to take the position of Director General of Environmental Affairs in the Ministry of

Foreign Affairs of Argentina following her appointment, which is effective 24 October 2016. The vacancy for her replacement was posted on the websites of the Fund and the World Bank with a closing date 12 October 2016. The secretariat is supporting the Chair and Vice-Chair in the recruitment process.

31. Ms. Anni Rein, who joined the secretariat on 14 October, 2015 (Communications intern) continued with the secretariat as of 15 April, 2016 as Short-Term Consultant. Ms. Sophie Hans-Moevi (Senior Program Assistant) joined the secretariat on 1st July 2016. Ms. Alicia Austin (Communications intern) also joined the secretariat on 25 July 2016.

Annex I

Report of the Readiness Programme

Background

1. The Adaptation Fund Board (the Board) at its twenty-fifth meeting approved Phase II of the Readiness Programme in which benefits to implementing entities and the gains achieved in Phase I could be further increased and expanded. The Board decided to:

Approve Phase II of the readiness programme, as outlined in document AFB/B.25/5, with a total funding of US\$ 965,000, including funding of US\$ 565,000 to be transferred to the secretariat's budget and funding of US\$ 400,000 to be set aside for small grants to National Implementing Entities from resources of the Adaptation Fund trust fund.

(Decision B.25/27)

2. At its twenty-seventh meeting, the Board decided to:

- a) Take note of the progress report for phase II of the Readiness Programme;
- b) Integrate the Readiness Programme into the Adaptation Fund work plan and budget; and
- c) Approve the proposal for the Readiness Programme for the fiscal year 2017 (FY17), comprising its work programme for FY17 with the funding of US\$ 616,500 to be transferred to the secretariat budget and US\$ 590,000 for direct transfers from the resources of the Adaptation Fund Trust Fund for allocation as small grants.

(Decision B.27/38)

The following document is a brief progress report on the activities of the programme from 1 April 2016 to 30 September 2016.

Activity Progress

3. The Readiness Programme consists of four main components:

- 1) Component 1: Support to accredited implementing entities which includes introduction seminars, facilitating peer to peer learning and the provision of small grants to support project formulation and the implementation of specific policies such as the environment and social policy.
- 2) Component 2: Cooperation/Partnership with climate finance readiness providers who have been a major factor contributing to the success of the readiness programme. Through working with various partners on joint activities, building a community of practice and strengthening country level monitoring and evaluation, the Fund has managed to build upon the existing partnerships and forge new ones to reach vulnerable communities from across the globe.

- 3) Component 3: Support to countries seeking accreditation to meet the rising demand for climate finance from the Fund. The Fund continues to be a world leader on direct access and providing support on the accreditation process through small grants (South-South cooperation grants), hosting climate finance readiness seminars and events, and developing tools and guidance documents to support countries seeking accreditation with the Fund.
- 4) Component 4: Knowledge management, which saw the launch of a Climate Finance Ready microsite (an online collaboration and knowledge sharing platform) including the implementation of several related activities such as the publishing of country case studies, media outreach and the documentation of lessons learnt through Fund's organized activities.

4. From 1 April 2016 to 30 September 2016 (the reporting period), work has been done in all four of these areas. The paragraphs below provide details on specific activities.

Workshops and seminars

5. Four workshops were held with co-funding from partner organizations and one seminar was held for NIEs and hosted by the secretariat. The workshops and seminar were implemented within each of the four components to achieve the main objectives of the programme of increasing the number of NIEs accredited and the number of quality projects submitted by NIEs/RIEs in addition to building partnerships with other organizations and raising the profile of the Fund.

6. Climate Finance Readiness Workshop for Francophone Countries in Africa: Held from 3-5 May 2016 in Casablanca, Morocco, and co-hosted by *the Institut de la Francophonie pour le Développement* (IFDD) and the Morocco Climate Change Competences Centre "4C Maroc", the workshop drew from the experience and outcomes of past workshops by the Fund on climate finance readiness in Africa and gave participants the opportunity to gain understanding of the operational modalities for the financial mechanism of the Adaptation Fund. The workshop focused on accreditation processes and procedures and project formulation and implementation. The workshop discussed strategies for strengthening collaboration and transfer of experience between Francophone African countries for more access to finance from the Fund.

7. Climate Finance Readiness Workshop for Latin America and the Caribbean: Held from 7-9 June in Tegucigalpa, Honduras in partnership with the Central American Bank for Economic Integration (CABEI) the workshop focused on enhancing knowledge on the adaptation fund project development process and project full cycle for accredited NIEs in the region. The workshop also touched on accreditation requirements for countries that are not yet accredited and also on the re-accreditation process and requirements for NIEs in the region.

8. Climate Finance Readiness Seminar # 3: Held in Washington DC from 13-15 July 2016, this annual event which is now hosted specifically for accredited NIEs of the Fund, brought together 19 accredited NIEs. Two regional RIEs and one MIE also attended the event. The seminar provided an exclusive experience sharing platform for NIEs and presented an opportunity for the new NIEs to familiarize with the Funds updated operational policies and procedures. Key discussions also included the Fund's gender policy, which was approved in March 2016.

9. Climate Finance Readiness Workshop for the Asia, Asia-Pacific Region & Eastern Europe: Held from 23-25 August 2016 in Mumbai, India, and co-hosted by the National Bank for Agriculture and Rural Development (NABARD) of India, the United Nations Environment Programme Regional Office for Asia and the Pacific (UNEP ROAP) and the Climate Action Network-South Asia (CANSA). The workshop focused on capacity building for accreditation, project development and implementation with the Fund, as well as multi-stakeholder collaboration in the process to gain access to the Fund's Direct Access modality.

10. Climate Finance Readiness Workshop for the Middle East and North Africa (MENA) Region: Held from 6-8 September in Rabat, Morocco and in partnership with the Agency for Agricultural Development (ADA) of Morocco, the workshop focused on increasing awareness and understanding of the Fund's accreditation process and requirements in the region and sharing experiences in project design and development. The workshop also focused on promoting the Fund's main goals at COP 22, which would be (i) to make progress towards the implementation of the roadmap; and (ii) to keep making efforts for resources mobilization.

11. The secretariat also held the second Adaptation Fund Readiness Webinar on 28 April 2016, which was attended by 20 participants from nine NIEs. The webinar discussed the topic of knowledge management within the Fund's project full cycle, from accreditation, through to project development, implementation and evaluation. NIEs shared their experiences managing knowledge within the Fund's processes and also heard from the experience of the World Bank's Pilot Programme on Climate Resilience (PPCR).

12. The third Adaptation Fund Readiness Webinar is scheduled to take place on 27 October 2016. Consultations with NIEs are underway to determine the topic of discussion based on their knowledge gaps and interests related to climate change adaptation and projects financed by the Fund.

13. Demand for readiness support is high among NIEs and countries that are seeking accreditation with the Fund. Out of the several seminars and workshops convened over the past several months several recurring messages have been expressed, these included:

- a) Feedback from workshop participants indicated the following as the most beneficial outcomes of climate finance readiness workshops and seminars:
 - ✓ Opportunities to engage with Adaptation Fund Secretariat representatives during the clinic sessions;
 - ✓ Success stories shared by accredited Implementing Entities;
 - ✓ Detailed overview of accreditation process as well as the lessons learnt from the challenges in the accreditation process;
 - ✓ Useful insight on the requirements to demonstrate institutional capacity in order to leverage available funds for climate adaptation;
- b) Benefits of going through the accreditation process
 - ✓ Raises the profile of climate change adaptation in-country
 - ✓ Can help mobilize additional resources for climate change adaptation
 - ✓ Helps "fine-tune" an organization's policies, procedures, and standards, and align with international standards
 - ✓ Validates organization's process and increases its national and international reputation

- ✓ Consolidates a commitment to implementing the project
 - ✓ Places an NIE in a position to promote collaboration with other national and multilateral organizations in-country
 - ✓ NIEs can take on more responsibilities related to climate finance having gone through the process
- c) Key lessons in accreditation:
- ✓ The success of an entity's accreditation process is based on the entity's institutional arrangements.
 - ✓ The accreditation process is not an end in itself though there are multiple benefits of going through the process in addition to gaining accreditation. Some of these benefits include the strengthening of the institutional capacities of these entities as well as strengthening the governance arrangements.
 - ✓ The accreditation process is essentially a learning curve, and experience gained in the accreditation with one Fund can be leveraged for another.
 - ✓ Accreditation is an important first step to accessing some international climate finance and the familiarization with high-level fiduciary standards certainly enhances capacity that can be used to access other funds other than the Adaptation Fund and Green Climate Fund.
- d) Despite the obvious benefits of the accreditation process, real challenges still exist for some entities which include:
- ✓ Language barrier for non-English speaking countries;
 - ✓ Lack of supporting documentation or other evidence, and lack of guidelines on how to demonstrate eligibility;
 - ✓ Environmental and social safeguards present a challenge as some entities may not necessarily have this policy formalized, despite their compliance with these safeguards and policy requirements in the past. This also includes the Gender policy.
- e) Key lessons learnt on the Fund's project full cycle:
- ✓ All projects have had a big participation from the national government. NIEs expressed that country empowerment is occurring as a result of the direct access modality, even when the NIE is not a governmental institution.
 - ✓ Better understanding of environmental and social policy (ESP) and gender policy (GP) compliance, overall adaptation cost, concrete adaptation measures, stakeholders engagement, knowledge management, and the AF results-based framework could improve and strengthen AF project proposals, so that AF outcomes are met.
 - ✓ The autonomy of implementing entities is necessary to ensure the facilitation of accreditation and effectiveness of the procurement process;
 - ✓ Funding requirements and projects should align with country's priorities;
- f) Some challenges that participants expressed during the project cycle:
- ✓ Assessment of environmental and social risks is not well managed in the region. Gender is still understood as a need to show 50/50 participation and not necessarily a response for women empowerment through sensitiveness to cultural issues and gender-role considerations.
- g) Requests from participants at workshops and seminars
- ✓ Need a grant to support technical capacities to meet the Adaptation Fund fiduciary standards

- ✓ Need more peer-to-peer learning in which already accredited entities could mentor entities seeking accreditation.
- ✓ Need more workshops to enhance and boost the capacities of implementing entities to ensure for effective project implementation;

Summaries of all of the Adaptation Fund Seminars as well as all presentation materials can be found on the Fund website: <https://www.adaptation-fund.org/readiness/news-seminars/>

Readiness Grants

14. The secretariat had launched a call for proposals for readiness grants in July 2016 which are currently under review. The calls included:

- Five South-South cooperation grants of up to US\$ 50,000 per NIE.
- Six technical assistance grants for ESP and Gender of up to US\$ 25,000 per NIE.
- Ten technical assistance grants for Gender of up to US\$ 10,000 per NIE.

Knowledge Management

15. Another part of the readiness programme is supporting the development of an adaptation finance readiness knowledge exchange that will play a major role in disseminating knowledge and tools to enable access to adaptation finance.

16. Climate finance ready microsite: The secretariat continued to support maintenance of the knowledge microsite jointly with the Climate and Development Knowledge Network (CDKN) to provide relevant content, publicize, and expand partnership of the Climate Finance Ready site. The secretariat held initial discussions with the GCF and CDKN to expand maintenance and management of the microsite to a three way partnership between the Fund, CDKN and GCF.

Outcomes of Programme

17. Increased NIE/RIE accreditation applications: During the reporting period, the Ministry of Finance and Economic Management (MFEM) of the Cook Islands, which is also a Small Island Developing State (SIDS), received accreditation with the Fund.

18. Increased NIE Project Proposals: For the twenty-eighth Board meeting, the secretariat received 19 single-country project proposals, nine of which were submitted by eight NIEs. Of the eight NIEs, two are Least Developed Countries (LDCs) and two are SIDS.

19. Increased Partnership Opportunities: The Fund has continued to strengthen and grow existing partnerships and has held several joint events with like-minded organizations, agencies and institutions involved in readiness activities for climate finance (*please see workshops and seminars above*). New partnerships have also been built in the context of readiness workshops, and have included CAN-SA, IFDD and ADA and NABARD, which are NIEs, and CABEL an RIE of the Fund. During the reporting period continued partnerships have been with the Climate Investment Funds (CIF), and UNEP. Through partnerships, the fund leveraged funding of US \$ 201,000 during the reporting period.

20. Increased Visibility and Thought Leadership Positioning: The programme continues to help increase the visibility of the Fund, and position it as a thought leader in climate

finance readiness. Through outreach about each of the seminars, to the media and practitioners and on the Fund's digital channels, the programme's reach has been global and has strengthened the Fund's brand.

Future Collaboration

21. For the near-term, the secretariat is planning to host a global workshop for LDCs for capacity building to share experiences on accessing adaptation finance and to encourage them in seeking accreditation with the Fund. The details of the partners and workshop content are still under planning.

22. The secretariat is also working with the Fund's NIEs to set up a community of practice for NIEs of the Fund. At the second climate finance readiness seminar for NIEs in July 2015, NIEs had requested a community of practice to share experiences and lessons learnt with the Fund processes and procedures. At the third annual climate finance readiness seminar for NIEs in July 2016 the secretariat and NIEs had further discussed establishing a community of practice in which NIEs can network, share knowledge, experiences and interact on a regular and on-going basis. Discussions are still underway and a draft charter is under development led by the NIEs.