



ADAPTATION FUND

AFB/B.28/8
26 September 2016

Adaptation Fund Board
Twenty-eighth meeting
Bonn, Germany, 6-7 October 2016

Agenda item 8

RESOURCE MOBILIZATION STRATEGY

Introduction

1. The Adaptation Fund Board (the Board), at its sixteenth meeting, considered the constraints faced by the Fund due to the modest level of resources available, caused in part by low levels in Certified Emission Reduction (CER) prices. Such constraints were particularly reflected in the need to set caps and limits on funding to eligible countries (at US\$ 10 million per country) as well as to project/programmes implemented by accredited Multilateral Implementing Entities (MIEs) (at 50 per cent cap for fully-developed proposals submitted by MIEs). The Board expressed its view that this is a fundamental problem for the Fund and therefore it was suggested that if fundraising was to be attempted, it should be done in a structured fashion. Following these considerations, the secretariat was asked to prepare a document containing options for a fundraising strategy for discussion by the Ethics and Finance Committee (EFC) at its eighth meeting. Concerning the need to raise additional funds, the Board also decided to request:

(a) The Manager of the Adaptation Fund Board secretariat to undertake fundraising activities with donors in consultation with the Board Chair;

(b) The secretariat to report to the Board at its 17th meeting on its fundraising activities and its negotiations with the United Nations Foundation to facilitate the collection of private donations, as well as options for a fundraising campaign and strategy, in consultation with the trustee; and

(c) The trustee to provide advice at the Board's 17th meeting on options for potential investments taking into account its mandate and the Adaptation Fund risk profile and liquidity needs.

(Decision B.16/24)

2. At its eighth meeting, the EFC had considered document "Options for a Fundraising Campaign and Strategy" (AFB/EFC.8/6) that had been prepared by the secretariat, in consultation with the trustee, at the request of the Board (Decision B.16/24). Having considered the recommendation by the EFC, the Board, at its seventeenth meeting, decided (Decision B.17/24) to:

(a) Set an initial fundraising target of US \$100 million on an interim or experimental basis initially up until the end of 2013;

[...]

3. At its seventeenth meeting, the Board also made specific decisions related to short-term fundraising activities and further assessment (Decision B.17/24 (b) – (e)). At its subsequent meetings, the Board made additional decisions related to fundraising. The presentation below includes only the main items related to the development of a strategy, and the full details of these decisions are contained as a compendium in Annex I.

4. At its nineteenth meeting, the Board discussion a paper on strategic prospects of the Adaptation Fund, including vis-à-vis the Green Climate Fund (GCF), and decided (Decision B.19/29), to:

(a) *Establish a task force of Board members that works in conjunction with the secretariat on outreach, strategy, and other efforts to achieve the interim US \$100 million fundraising target by the end of 2013;*

[...]

5. At its twentieth meeting, the Board again discussed matters related to fundraising, and decided (Decision B.20/17) to:

(a) *Request:*

(i) *The fundraising task force with support from the secretariat to provide a fundraising and outreach strategy for the Board to discuss. The strategy should include:*

1. *Key lessons learned, experience and expertise, knowledge, systems, as well as tested processes and procedures from the Fund;*
2. *Features of the Fund that make it unique (i.e. sales pitch);*
3. *Cooperation with other stakeholders active in the field of adaptation;*
4. *Specific activities the Board and secretariat can take in the short-term;*

[...]

6. At its twenty-second meeting, the Board considered a fundraising strategy, presented by the secretariat, in a closed session. The Board decided to

take note of the fundraising strategy and to request the fundraising task force with support from the secretariat to continue to update the Board on fundraising efforts, including assessing options for sustainable financing of the Fund.

(Decision B.22/22)

7. At its twenty-third meeting, the Board received a report of the fund-raising task force, that it noted with appreciation, and decided (Decision B.23/25) to:

(a) *Extend the mandate of the Fundraising Task Force to continue implementing the fundraising strategy, with the new fundraising target of US\$ 80 million per calendar year in 2014 and 2015;*

[...]

(c) *Request the secretariat to continue assisting the Fundraising Task Force in fulfilling its mandate, and to prepare an implementation plan for the fundraising strategy,*

including specific activities and events during 2014 and 2015, and integrating its communications strategy.

8. At the twenty-fourth meeting, the Board again received, with appreciation, a report of the fundraising task force, and decided to:

- (a) *Rename the fundraising task force as the resource mobilization task force in order to convey the idea of a continuous activity;*
- (b) *Request the secretariat to:*
 - (i) *Prepare a summary document of the resource mobilization strategy that could be made public; and*
 - (ii) *Develop material for the Conference of the Parties, including the ability to easily download key documents from the Adaptation Fund website.*

(Decision B.24/28)

9. Intersessionally between the twenty-fourth and twenty-fifth meetings, the secretariat prepared the summary document of the resource mobilization strategy requested by Decision B.24/28 (b) (i), and made it available on the Adaptation Fund website.

10. At the twenty-seventh meeting, after discussing the report of the resource mobilization task force, the Board decided to:

- (a) *Request the secretariat to prepare, in collaboration with the Resource Mobilization Task Force, an updated resource mobilization strategy, to be presented to the Board at its twenty-eighth meeting;*
- (b) *Set a new resource mobilization target of US\$ 80 million per year for the biennium 2016-2017; and*
- (c) *In order to update the composition of the task force set up by decision B.25/1, appoint the following new members of the task force, to replace members that had left:*
 - (i) *Mr. Antonio Navarra (Italy, Western European & Others Group), who would replace Mr. Michael Kracht as a co-coordinator of the task force;*
 - (ii) *Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe); and*
 - (iii) *Mr. Lucas di Pietro Paolo (Argentina, Group of Latin American & Caribbean Countries).*

(Decision B.27/36)

11. Also at its twenty-seventh meeting in March 2016, having discussed the agenda item "Issues remaining from the twenty-sixth meeting", (c) "Proposal to modify the country cap", the Adaptation Fund Board (the Board) noted that there was a need for broader consideration of the Fund's strategic direction, and decided (Decision B.27/39) to:

[...]

(b) Request the secretariat to prepare, for consideration by the Board at its twenty-eighth meeting, options for a framework for a medium-term strategy for the Fund, that would reflect 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 take 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).*

12. Pursuant to the decision B.27/36, the secretariat has, in collaboration with the Resource Mobilization Task Force, prepared a draft for an updated resource mobilization strategy. The strategy is contained in the addendum to this document, AFB/B.28/8/Add.1.

Recommendation

13. The Board may want to consider the draft updated resource mobilization strategy and decide to:

- a) Approve the updated resource mobilization strategy;
- b) Request the secretariat to:
 - i. develop, for consideration by the Board at its twenty-ninth meeting, a resource mobilization action plan based on the strategy and taking into account the decisions made by the Board regarding the options for a framework for a medium-term strategy; and
 - ii. develop communications materials based on the updated strategy.

Annex I: Compendium of decisions related to resource mobilization

1. The Adaptation Fund Board (the Board), at its sixteenth meeting, considered the constraints faced by the Fund due to the modest level of resources available, caused in part by low levels in Certified Emission Reduction (CER) prices. Such constraints were particularly reflected in the need to set caps and limits on funding to eligible countries (at US\$ 10 million per country) as well as to project/programmes implemented by accredited Multilateral Implementing Entities (MIEs) (at 50 per cent cap for fully-developed proposals submitted by MIEs). The Board expressed its view that this is a fundamental problem for the Fund and therefore it was suggested that if fundraising was to be attempted, it should be done in a structured fashion. Following these considerations, the secretariat was asked to prepare a document containing options for a fundraising strategy for discussion by the Ethics and Finance Committee (EFC) at its eighth meeting. Concerning the need to raise additional funds, the Board also decided to request:

(a) The Manager of the Adaptation Fund Board secretariat to undertake fundraising activities with donors in consultation with the Board Chair;

(b) The secretariat to report to the Board at its 17th meeting on its fundraising activities and its negotiations with the United Nations Foundation to facilitate the collection of private donations, as well as options for a fundraising campaign and strategy, in consultation with the trustee; and

(c) The trustee to provide advice at the Board's 17th meeting on options for potential investments taking into account its mandate and the Adaptation Fund risk profile and liquidity needs.

(Decision B.16/24)

2. At its eighth meeting, the EFC had considered document "Options for a Fundraising Campaign and Strategy" (AFB/EFC.8/6) that had been prepared by the secretariat, in consultation with the trustee, at the request of the Board (Decision B.16/24). Having considered the recommendation by the EFC, the Board decided to:

(a) Set an initial fundraising target of US \$100 million on an interim or experimental basis initially up until the end of 2013;

(b) Request the secretariat to:

(i) Prepare a briefing note, for presentation at the next meeting of the EFC, on relevant ongoing mechanisms being discussed in various fora, assessments of how the Fund might benefit from selected mechanisms, and inputs from all interested stakeholders that have been collected through a public call for comment;

(ii) Prepare and organize the agenda for a meeting with donors in the margins of the session of the Subsidiary Bodies of the UNFCCC in May 2012, for approval by the Board intersessionally, and to coordinate the logistics as needed; and

- (iii) *Suggest, at the next Board meeting, a list of potentially relevant meetings to be organized or attended up until the end of 2012 and the inclusion of a budgetary provision in its budget proposal for fiscal year 2013.*
- (c) *Announce the scheduled signing of the agreement with the UNF, referred to in Decision B.17/1, at the Rio+20 meeting in June, assuming all necessary arrangements have been made by that time;*
- (d) *Further request the secretariat, in consultation with the trustee, to:*
 - (i) *Continue exploring the interest of other potential partner entities in establishing other mechanisms to encourage individual donations. The secretariat may be requested to report back to the Board at its 18th meeting on its findings and with concrete proposals, if appropriate;*
 - (ii) *Provide a detailed implementation plan for the issuance of adaptation certificates, as well as operational details and implications for the consideration of the EFC at its 9th meeting;*
 - (iii) *Provide further implementation and operational details on options to facilitate cash flow management, as well as potential implications, for the consideration of the EFC at its 9th meeting; and*
 - (iv) *Continue its analysis of the suitability and feasibility of the concepts listed in section IV.4 of document AFB/EFC.8/6 as potential fundraising mechanisms for the Fund and to report back to the EFC at its 9th meeting.*
- (e) *Further request the secretariat to expedite and ensure the development and implementation of points a) to f) in paragraph 61 of document AFB/EFC.8/6, and communicate to the Board any budgetary implications of these activities for inclusion in the budget for fiscal year 2013.*

(Decision B.17/24)

3. At its eighteenth meeting, the Board agreed upon the importance of recognizing the ideas submitted by the public regarding the new fundraising campaign and strategy. Having considered the comments and recommendations of the Ethics and Finance Committee, the Adaptation Fund Board took note of inputs received and decided to:

- (a) *Request the secretariat to:*
 - i. *Proceed with all necessary arrangements and efforts to reach out to foundations and philanthropic organizations, including through informal contacts and consultations with relevant organizations, providing presentations about the Adaptation Fund and other activities in order to raise funds;*
 - ii. *Report back to the Board on the outcome of the activities above no later than at the 20th Board meeting; and*
 - iii. *Monitor the further development of the options submitted to the Board and inform the Board should any opportunity arise;*

(b) *Organize a follow-up meeting on the dialogue with donors in the margins of CMP 8, in consultation with the Chair; and*

(c) *Note that the cost of the activities outlined in sub-paragraphs (b) (i) and (c) will be covered with the Travel Component (Awareness Raising) in the budget for FY13.*

(Decision B.18/32)

4. At its nineteenth meeting, the Board discussion a paper on strategic prospects of the Adaptation Fund, including vis-à-vis the Green Climate Fund (GCF), and decided:

(a) *Establish a task force of Board members that works in conjunction with the secretariat on outreach, strategy, and other efforts to achieve the interim US \$100 million fundraising target by the end of 2013;*

(b) *Appoint Ms. Ana Fornells de Frutos (Spain, Annex I Parties), Ms. Angela Churie-Kallhauge (Sweden, Western European and Others Group), Ms. Su-Lin Garbett-Shiels (United Kingdom, Annex I Parties), Mr. Jeffery Spooner (Jamaica, Latin America and Caribbean Countries), Mr. Mamadou Honadia (Burkina Faso, Least-Developed Countries), and Mr. Zaheer Fakir (South Africa, Africa) as members of the task force, in accordance with their expressions of interest;*

(c) *Request the secretariat to update document AFB/B.19/5 with a synthesis of the discussions that had taken place during the 19th meeting of the Board on the strategic prospects for the Adaptation Fund for the consideration of the Board at its 20th meeting, to be used for the formulation of the Adaptation Fund strategy, taking into account the following:*

- i. Preparing a ministerial brief on the strengths of the Adaptation Fund;*
- ii. Enabling Board members to act as champions of the Adaptation Fund by preparing materials which they could circulate and use as talking points;*
- iii. Finding a spokesperson to act as an Ambassador for the Fund;*
- iv. Increasing Knowledge Management by contributing to current networks and by codifying and disseminating the work of the Adaptation Fund; and*
- v. Including the presence of Board members in discussions with donors on the margins of meetings.*

(d) *Request the Chair to submit a formal request to the UNFCCC secretariat for the Board to have its own seat at meetings held by the United Nations Framework Convention on Climate Change, including those of its Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and the Adaptation Committee.*

(Decision B.19/29)

5. At its twentieth meeting, the Board again discussed matters related to fundraising, and decided to:

(a) *Request:*

- (i) *The fundraising task force with support from the secretariat to provide a fundraising and outreach strategy for the Board to discuss. The strategy should include:*
 - 1. *Key lessons learned, experience and expertise, knowledge, systems, as well as tested processes and procedures from the Fund;*
 - 2. *Features of the Fund that make it unique (i.e. sales pitch);*
 - 3. *Cooperation with other stakeholders active in the field of adaptation;*
 - 4. *Specific activities the Board and secretariat can take in the short-term;*
- (ii) *The secretariat to provide to the Board, in consultation with the implementing entities, project level results in a format accessible to a general audience and/or donors;*
- (iii) *The Chair to write a letter to donors drawing attention to the financial situation of the Fund and the pipeline;*

(b) *Participate in the Forum of the Standing Committee on Finance to be held in Barcelona on 28 May 2013;*

(c) *Encourage:*

- (i) *Members of the Board to advocate for the Adaptation Fund within their own countries, regions and at various public forums; and*
- (ii) *The participation of Board members and/or secretariat staff at regional meetings and ministerial meetings to present the Adaptation Fund.*

(Decision B.20/17)

6. At its twenty-second meeting, the Board considered a fundraising strategy, presented by the secretariat, in a closed session. The Board decided to

take note of the fundraising strategy and to request the fundraising task force with support from the secretariat to continue to update the Board on fundraising efforts, including assessing options for sustainable financing of the Fund.

(Decision B.22/22)

7. At its twenty-third meeting, the Board received a report of the fund-raising task force, that it noted with appreciation, and decided to:

(a) *Extend the mandate of the Fundraising Task Force to continue implementing the fundraising strategy, with the new fundraising target of US\$ 80 million per calendar year in 2014 and 2015;*

(b) *Extend the service of the current Fundraising Task Force members: Ms. Angela Churie-Kallhauge, Ms. Laura Dzelzyte, Mr. Zaheer Fakir, Ms. Ana Fornells de Frutos, Ms. Su-Lin Garbett-Shiels, Mr. Hans Olav Ibrenk, and Mr. Jeffery Spooner, adding Mr. Marc-Antoine Martin as a new member; and extending Mr. Fakir's term of office as coordinator; and*

(c) *Request the secretariat to continue assisting the Fundraising Task Force in fulfilling its mandate, and to prepare an implementation plan for the fundraising strategy, including specific activities and events during 2014 and 2015, and integrating its communications strategy.*

(Decision B.23/25)

8. At the twenty-fourth meeting, the Board again received, with appreciation, a report of the fundraising task force, and decided to:

(a) *Rename the fundraising task force as the resource mobilization task force in order to convey the idea of a continuous activity;*

(b) *Request the secretariat to:*

(i) *Prepare a summary document of the resource mobilization strategy that could be made public; and*

(ii) *Develop material for the Conference of the Parties, including the ability to easily download key documents from the Adaptation Fund website.*

(Decision B.24/28)

9. Intersessionally between the twenty-fourth and twenty-fifth meetings, the secretariat prepared the summary document of the resource mobilization strategy requested by Decision B.24/28 (b) (i), and made it available on the Adaptation Fund website.

10. At the twenty-seventh meeting, after discussing the report of the resource mobilization task force, the Board decided to:

(a) Request the secretariat to prepare, in collaboration with the Resource Mobilization Task Force, an updated resource mobilization strategy, to be presented to the Board at its twenty-eighth meeting;

(b) Set a new resource mobilization target of US\$ 80 million per year for the biennium 2016-2017; and

(c) In order to update the composition of the task force set up by decision B.25/1, appoint the following new members of the task force, to replace members that had left:

- (i) Mr. Antonio Navarra (Italy, Western European & Others Group), who would replace Mr. Michael Kracht as a co-coordinator of the task force;
- (ii) Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe); and
- (iii) Mr. Lucas di Pietro Paolo (Argentina, Group of Latin American & Caribbean Countries).

(Decision B.27/36)

11. Also at its twenty-seventh meeting in March 2016, having discussed the agenda item “Issues remaining from the twenty-sixth meeting”, (c) “Proposal to modify the country cap”, the Adaptation Fund Board (the Board) noted that there was a need for broader consideration of the Fund’s strategic direction, and decided to:

- a) *Maintain, for the time being, the cap per country established by decision B.13/23; and*
- b) *Request the secretariat to prepare, for consideration by the Board at its twenty-eighth meeting, options for a framework for a medium-term strategy for the Fund, that would reflect 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 take 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).*

Decision B.27/39