



ADAPTATION FUND

AFB/EFC.20/7
8 March 2017

Ethics and Finance Committee
Twentieth meeting
Bonn, Germany, 14-15 March 2017

Agenda item 6 c)

WORK PLAN FOR FISCAL YEAR 2018

Background

1. At its twenty-seventh meeting, the Adaptation Fund Board (the Board) approved the work plan for the fiscal year 2017 (FY17: 1 July 2016 – 30 June 2017). The present document summarizes the actions and decisions taken by the Board in the period 1 July 2016 – 13 March 2017 (the reporting period) in compliance with the approved work plan for FY17. During the period covered, the Board convened at its twenty-eighth meeting, which took place on 6-7 October 2016. This document presents a proposed work plan for FY18, prepared by the secretariat and in accordance with the mandate that the Board received from the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP) and decisions adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) and the Board, for consideration by the Ethics and Finance Committee (EFC).

2. The work plan for the next fiscal year is generally presented at the last Board meeting of the fiscal year. The proposed work plan for FY18 is therefore being presented for Board approval at the Board's twenty-ninth meeting to be held on 16-17 March 2017.

Compliance with work plan for FY17

3. During FY17 and as of the date of issuance of this document the Board has fulfilled the following functions mandated by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in decisions 1/CMP.3 and 1/CMP.4:

- The Board has accredited two National Implementing Entities (NIEs), and re-accredited two MIEs, thereby extending the opportunity to access resources through the direct access modality to a total of 25 NIEs and six RIEs to date.
- The Board has approved four projects/programmes for funding for a total amount of US\$ 24.7 million, endorsed six project concepts including three submitted by NIEs and their related project formulation grants totaling US\$ 90,000, and 11 readiness grant proposals for a total amount of US\$ 275,000. Additionally, the Board has endorsed two pre-concepts and (for the first time) three concepts for proposals under the pilot programme for regional projects including three related full project formulation grants totaling US\$ 240,000. The total amount of funds disbursed during the reporting period is US\$ 25.305 million.
- The report of the portfolio monitoring mission which took place in Mongolia during FY16 was presented to the Board at its twenty-eighth meeting in October 2016. Two portfolio monitoring missions are planned for FY17, to be undertaken in Egypt (April 2017) and Georgia and Turkmenistan (back-to-back, in June 2017), to visit projects implemented by the World Food Programme (WFP) and the United Nations Development Programme (UNDP), respectively.
- The Marrakech Climate Summit in November 2016 resulted in a number of important decisions with relevance to the Adaptation Fund:
 - a) Recalling the Paris Agreement and decision 1/CP.21, the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) at its twenty-second meeting (COP 22) requested *the Ad Hoc Working*

Group on the Paris Agreement (APA) in its consideration of the necessary preparatory work on the Adaptation Fund to address the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris agreements (Paragraph 14 of the Decision 1/CP.22), and invited Parties to submit, by 31 March 2017, their views on the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement (Paragraph 15 of the Decision 1/CP.22).

- b) It is noteworthy that the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided that *the Adaptation Fund **should** serve the Paris Agreement, following and consistent with decisions to be taken at the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, to be convened in conjunction with the twenty-fourth session of the Conference of the Parties (COP24), and by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol that address the governance and institutional arrangements, safeguards and operating modality of the Adaptation Fund (Paragraph 11 of Decision 1/CMA.1).*
- c) It is worth noting that The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its twelfth session, by its Decision 1/CMP.12 on third review of the Adaptation Fund:
- (i) *Decided that the third review of the Adaptation Fund will be undertaken in accordance with the terms of reference contained in the annex to the Decision1/CMP.12;*
 - (ii) *Requested the Board to make available in its report to the CMP at its thirteenth session (November 2017) information on the financial status of the Adaptation Fund with a view to the third review of the Adaptation Fund being finalized at the same session;*
 - (iii) *Invited Parties and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and implementing entities accredited by the Board, to submit by 30 April 2017 their views on the third review of the Adaptation Fund based on the terms of reference contained in the annex to Decision1/CMP.12, for consideration by the Subsidiary Body for Implementation (SBI) at its forty-sixth session (May 2017);*
 - (iv) *Requested the secretariat, in collaboration with the Adaptation Fund Board secretariat, to prepare a technical paper on the third review of the Adaptation Fund, in accordance with the terms of reference contained in the annex to Decision1/CMP.12, taking into account the deliberations and*

conclusions of the SBI at its forty-sixth session and the views referred to in paragraph 3 above, for consideration by the SBI at its forty-seventh session (November 2017);

- (v) *Also requested the SBI to complete its work on the third review of the Adaptation Fund at its forty-seventh session with a view to recommending a draft decision on the matter for consideration and adoption by the CMP at its thirteenth session.*
- d) *It is also worth noting that the CMP at its twelfth session, by its Decision 2/CMP.12 on Report of the Adaptation Fund Board:*
- (i) *Noted the information, actions and decisions relating to the Adaptation Fund contained in the report of the Board and the oral report provided by the Chair of the Board in November 2016;*
 - (ii) *Decided to renew the interim institutional arrangements with the Global Environmental Facility as the interim secretariat of the Board for an additional three years, from 30 May 2017 to 30 May 2020;*
 - (iii) *Also decided to restate the terms and conditions of the services to be provided by the International Bank for Reconstruction and Development (the World Bank) as the interim trustee of the Adaptation Fund and to extend the term of the trustee's services for an additional three years, from 30 May 2017 to 30 May 2020;*
 - (iv) *Welcomes the financial pledges and contributions made to the Adaptation Fund by the Governments of Germany, Italy, Sweden and the Flemish and Walloon Regions of Belgium, amounting to USD 81 million;*
 - (v) *Took note of the resource mobilization strategy of the Board;*
 - (vi) *Noted with concern issues related to the sustainability, adequacy and predictability of funding for the Adaptation Fund based on the current uncertainty on the prices of certified emission reductions, assigned amount units and emission reduction units;*
 - (vii) *Noted that the scale of funding required for projects in the active pipeline is estimated to be of the scale of USD 233.5 million and that the current available funds for new projects amount to USD 230.5 million, resulting in a current funding gap of USD 3 million;*

- (viii) *Encouraged developed country Parties to scale up financial resources for the implementation of adaptation projects in the active pipeline of the Adaptation Fund;*
- (ix) *Also encouraged the provision of voluntary support that is additional to the share of proceeds from clean development mechanism project activities in order to support the resource mobilization efforts of the Adaptation Fund Board, with a view to strengthening the Adaptation Fund;*
- (x) *Further encouraged the Adaptation Fund Board, in implementing its resource mobilization strategy, to further consider all potential sources of funding;*
- (xi) *Encouraged the Board to continue its consideration of linkages between the Adaptation Fund and other funds, including the Green Climate Fund, and to report on its findings to the CMP at its thirteenth session (November 2017);*
- (xii) *Highlighted the findings of the first stage of an independent overall evaluation of the Adaptation Fund;*
- (xiii) *Took note of the information by the Board on the added value of the Adaptation Fund for the operationalization of the Paris Agreement, as contained in the addendum to annex I to the report of the Board; and*
- (xiv) *Invited the Conference of the Parties (COP) to bring the information on the 'added value of the Fund' to the attention of the Ad Hoc Working Group on the Paris Agreement (APA).*

4. The following actions derived from Board decisions and included in the work plan for FY17 were also implemented during the reporting period:

- Phase II of the readiness programme was implemented and a progress report was presented at the 28th meeting of the Board.³ The secretariat also implemented the following activities as part of Phase II of the Readiness Programme during the reporting period:
 - The third Climate Finance Readiness Seminar for accredited NIEs of the Fund was held in Washington DC from 13-15 July 2016.
 - A Climate Finance Readiness Workshop for the Asia, Asia-Pacific Region & Eastern Europe 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,

³ See annex I in document AFB/B.28/3

the United Nations Environment Programme Regional Office for Asia and the Pacific (UNEP ROAP) and the Climate Action Network-South Asia (CANSA).

- A Climate Finance Readiness Workshop for the Middle East and North Africa (MENA) Region was held from 6-8 September in Rabat, Morocco in partnership with the Agency for Agricultural Development (ADA) of Morocco.
 - The third webinar which discussed the management of environmental and social risks as well as gender risks in adaptation projects was held on 27 October 2016.
 - The second intersessional cycle for readiness grants was completed and the secretariat will present an analysis of the intersessional review cycle⁴ at this meeting to the Project and Programme Review Committee (PPRC).
 - The secretariat provided content for publishing on the Climate Finance Ready microsite and maintained its partnership with the Climate and Development Knowledge Network (CDKN) to manage and sustain the microsite.
 - The secretariat initiated dialogue with accredited NIEs of the Fund to set up an online platform for the community of practice for NIEs of the Fund. As at the time of this document, the secretariat is facilitating dialogue and actions to set up the platform.
- The secretariat commenced with planning for the workshop for least developed countries (LDCs) that is planned to take place in Nepal from 31 May – 2 June 2017.
 - The Board approved at its twenty-eighth meeting the Fund's updated Knowledge Management strategy and action plan which is contained in document AFB/EFC.19/6;
 - The Board at its twenty-eighth meeting approved the terms of reference and request for proposals for Phase II of the overall evaluation, as developed by the evaluation task force and contained in Annex 4 to document AFB/EFC.19/4;
 - The Board at its twenty-eighth meeting approved a proposal to enhance the efficiency and effectiveness of the accreditation process contained in document AFB/EFC.19/7 (decision B.28/38). In particular it has approved the fast-track the re-accreditation of implementing entities accredited with the Green Climate Fund (GCF) within a period of four years prior to the submission of the re-accreditation application to the Adaptation Fund as described in document AFB/EFC 19/7;
 - The Board at its twenty-eight meeting approved the amendments to Annex 5 to the operational policies and guidelines for Parties to access resources from the Adaptation Fund (amended in line with the Gender Policy), as contained in document AFB/EFC.19/8/Add.1 (Decision B.28/39);

⁴ See document AFB/PPRC/20/3

- The Board at its twenty-eighth meeting approved the Ad Hoc Complaint Handling Mechanism (ACHM) contained in annex IV to the report of the twenty-eighth meeting of the Board (Decision B.28/40);
 - The Board at its twenty-eighth meeting approved the updated resource mobilization strategy, and continued implementing it in order to achieve the resource mobilization target of \$ 80 million set for 2016. As a result of these actions the Fund exceeded that target and raised during the first half of FY17 ca. US\$ eq. 81 million⁵;
 - The Board continued its ongoing discussion on linkages between the Fund and the Green Climate Fund.
5. At each session of the CMP the Board is requested to report on its activities (decision 1/CMP.3, paragraph 5 (l)).
6. In addition to the actions mandated by the CMP and by previous Board decisions included in the work plan for FY17, the Board:
- Considered and approved the Fund's Gender Policy as contained in annex I to document AFB/EFC.18/5/Rev.1, the Gender Action Plan as contained in annex II to document AFB/EFC.18/5/Rev.1, and the amendments to the main text of the operational policies and guidelines for Parties to access resources from the Adaptation Fund (the OPG) and annex 3 to the OPG, as contained in document AFB/EFC.18/5/Add.1 (Decision B.27/28) and the amendment to annex 5 to the OPG (project template) as contained in document AFB/EFC.19.8/Add.1 (Decision B.28/39);
 - Requested the secretariat to prepare a note on possible courses of action to address the complaints related to implementing entities and report back to the nineteenth meeting of the EFC (Decision B.27/31). Subsequently the Board considered and approved the Ad Hoc Complaint Handling Mechanism (ACHM) contained in annex IV to the report of the 28th meeting of the Board (Decision B.28/40);
7. The Board has also decided to continue with ongoing activities of supervision on its advisory bodies, the two Board Committees and the Accreditation Panel, and its portfolio:
- The Committees shall report annually to the Board on their performance, including meeting attendance and effectiveness (General guidelines for Committees, paragraph 17). The Committees' reports are merged into the annual report of the Board to the CMP;
 - The secretariat shall prepare and present an *Adaptation Fund Annual Performance Report (AFAPR)* under the direction of the EFC for the Fund level portfolio outcome monitoring.⁶
 - Review and amendment of the operational policies and guidelines:

⁵ This includes EUR 58.75 million and SEK 50 million in paid-in contributions, and EUR 8.25 million and SEK 50 million in outstanding pledges.

⁶ An Approach to Implementing Results Based Management – RBM, Annex IV to Report of the tenth meeting of the Adaptation Fund Board, paragraph 24.

Proposal of work plan for FY18

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

Recommendation

9. The EFC may wish to consider and recommend to the Board to:
- a) Approve the draft secretariat work schedule and proposed work plan for the Readiness Programme for FY18, as contained in AFB/EFC.20/7.
 - b) Approve the increase to the readiness budget of US\$ 239,794 that is set aside for direct transfers from the resources of the Adaptation Fund Trust Fund for allocation as small grants under the Readiness Programme to be transferred at the instruction of the Board as outlined in annex II of document AFB/EFC.20/7 .

ANNEX I: DRAFT SECRETARIAT WORK PLAN FY18: TENTATIVE WORK SCHEDULE (JULY 2017 – JUNE 2018)

MEETINGS AND WORK ORGANIZATION

Activity	Dates/Time frame
Consideration of the draft report to CMP13	July-August 2017
Organization of the thirtieth Meeting of the Adaptation Fund Board, Bonn, Germany	10-13 October 2017
UN Climate Change Conference (COP23/CMP13/CMA1.2), Bonn, Germany	6-17 November 2017
Proposal of FY19 workplan and budget	March 2018
Organization of the thirty-first Meeting of the Adaptation Fund Board	March 2018
Meetings of the Adaptation Committee (Two times a year)	TBC
Meetings of the Green Climate Fund Board (Four times a year)	TBC
Meetings of the Standing Committee of Finance (Three times a year)	TBC

STRATEGIES⁷

Activity	Dates/Time frame
Development of the medium-term strategy and, if approved, implementation	Throughout FY18
Implementation of the resource mobilization strategy	Throughout FY18

PROJECTS AND PROGRAMMES

Activity	Dates/Time frame
Review of and decisions on project and programme proposals for the thirtieth Meeting of the Adaptation Fund Board	August – October 2017
Review of and decisions on project and programme proposals for the thirty-first Meeting of the Adaptation Fund Board	January - March 2018
Intersessional review of and decisions on project and programme proposals	April – June 2018

⁷ Other strategies including several action items are listed below in separate sections (KM, gender).

ACCREDITATION

Activity	Dates/Time frame
Organization of the twenty-sixth meeting of the Accreditation Panel	September 2017
Enhancement of the accreditation workflow functionalities	July - November 2017
Field visit to an applicant for AF accreditation (as necessity arises)	October – December 2017
Organization of the twenty-seventh meeting of the Accreditation Panel	January 2018 (TBC)
Field visit to an applicant for AF accreditation (as necessity arises)	February – April 2018
Organization of the twenty-eighth meeting of the Accreditation Panel	May 2018 (TBC)
Webinar : Accreditation Process for countries and implementing entities	TBC
Expansion of training activities related to capacity building (e.g. Follow up on the Durban Forum)	March 2018
Coordination of lessons learned from the Accreditation Process as part of the Fund's Overall Evaluation (Phase II)	December 2018
Operationalization of linkages with the GCF in Accreditation matters	November 2017

MONITORING & EVALUATION

Activity	Dates/Time frame
Annual performance report	October 2017 (at AFB30)
Completion of Phase II Evaluation of the Fund	December 2017

COMMUNICATIONS

Activity	Dates/Time frame
Publication of “Project Stories” and update of the Fund’s key flyers and overview	Throughout
News/press releases and publication of newsletters	Throughout
Production of videos on concrete projects and direct access, accomplishments of the Fund’s ten years, and global readiness seminars	Throughout
Media Relations: includes outreach to reporters through news releases, updating mailing lists of media & AF stakeholders, organizing media events/panels, contacting reporters directly, facilitating press queries and interviews, preparing staff for interviews, drafting targeted talking points and key messaging	Ongoing
Planning and Implementation of the COP23 events	September-December 2017
Publication of 10 th Anniversary publication and planning of special celebratory event:	July – November 2017
Social Media: At minimum, post to Twitter 3-5 times daily, Facebook 3-5 times weekly, create 6-12 Flickr photo albums a year, post to LinkedIn 3-5 times weekly, create 7-10 YouTube videos/year	Ongoing; See left
Coverage of the global readiness workshops, webinars and grants	Throughout FY18
Develop and update AF flyers, charts, briefings and posters for outreach; as well as materials for photo contests and new photos for exhibits	Throughout FY18
Update and maintenance of the Fund’s websites	Throughout FY18
Update and implementation of the communication strategy	Throughout FY18

KNOWLEDGE MANAGEMENT

Activity	Dates/Time frame
Two portfolio monitoring missions (the specific projects to visit will be confirmed intersessionally; this may include Rwanda, Djibouti-Eritrea, or India)	TBC
Report of portfolio monitoring missions	October 2017 (at AFB30)
Production of a publication commemorating the 10 th anniversary of the Adaptation Fund (See also under “Communications”).	December 2017
Enhancement of the secretariat’s information management system	Throughout FY18
Provision of guidance on KM Activities to countries and implementing entities	Throughout FY18

GENDER

Activity	Dates/Time frame
Establishment of a Gender Advisory Group with experts drawn from Fund partners	FY18 or FY19
Update of the Strategic Results Framework in line with the Gender Policy	FY18 or FY19
Improvement of the Performance Monitoring and Evaluation System in line with Gender Policy through updated (i) methodologies for reporting AF Core Impact Indicators; (ii) Results Framework and Baseline Guidance-Project level; (iii) Project Performance Report (PPR) Template and PPR Results Tracker	FY18 or FY19
Development of the Adaptation Fund Gender Score Card to monitor the gender policy implementation portfolio-wide	FY18 or FY19
Organization of Gender training for enhanced implementation of Gender Policy and Action Plan	FY18 or FY19
Provision of guidance on compliance with the Fund's gender policy to countries and implementing entities with	FY18 or FY19
Collaborative activities with GCF and GEF on gender matters	TBC

ANNEX II: READINESS PROGRAMME PROPOSED WORK PLAN FOR FY18

1. The following paragraphs outline the proposed components of work and proposed work plan for the Readiness Programme from 1 July 2017 – 30 June 2018. An activity work schedule and cumulative budget for readiness grants are also presented in schedule 1 and 2 respectively below.

Component 1: Support to accredited implementing entities

2. Activities that fall under this component will include:

(a) *Fourth Climate finance readiness seminar for national implementing entities:* The climate finance readiness seminar for national implementing entities (NIEs) of the Fund is an annual event at which all newly accredited NIEs can familiarize themselves more with policies and procedures of the Fund, and learn and exchange with peers about preparing quality projects and programmes for adaptation. The seminar also discusses updated policies and procedures with all accredited NIEs, including topics and themes related to the programming of project finance from the Fund. The seminar for FY18 will take place in the first quarter of the financial year and the content for the seminar will be developed through consultations with all accredited NIEs. During the Third Climate Finance Readiness Seminar for NIEs of the Fund held in 2016, participants expressed that learning and sharing among NIEs during this annual event could be further enhanced if the seminar could be hosted in different locations on occasion. In light of this request, the secretariat has planned for an accredited NIE to host the 2017 seminar in the NIE country jointly with the secretariat.

(b) *Adaptation Fund Readiness Webinars:* The secretariat will facilitate two webinars (the fifth and sixth Adaptation Fund readiness webinars) to enhance peer to peer learning between accredited NIEs. The topics for discussion will be identified by NIEs and discussed with the secretariat to facilitate the participation of experts or organizations with leading experience and knowledge on the chosen topics.

(c) *Hands on peer to peer learning:* (i) The secretariat will continue to undertake Fund portfolio monitoring missions and invite select accredited NIEs to join the monitoring missions. As part of the monitoring mission, NIEs in attendance would be able to strengthen their project experience and skills through on the ground learning and exchange and discussion of project specific issues with the host NIE.

(d) *Technical assistance grants for the environmental and social policy and gender policy (TA-ESP-GP):* Pending a decision by the Board on the additional allocation for readiness grants for technical assistance, the secretariat would continue to launch and review small grants for accredited NIEs that require support to strengthen their capability to address and manage environmental, social and gender risks within their projects/programmes, in accordance with the Fund's environmental and social policy (ESP) and gender policy. The secretariat will launch a call for proposals to invite accredited NIEs to apply for the grant which would be up to a maximum of US\$ 25,000 for each NIE.

It is proposed that the secretariat set aside US\$ 200,000 as direct transfers from the trustee for TA-ESP-GP grants.

(e) *Technical assistance grants for the gender policy (TA-GP)*: The Fund's gender policy (GP) which was approved in 2016 is still relatively new and the small grants that had been made available to NIEs to implement the policy and address practical issues related to alignment of the gender policy with the Fund's ESP in the design and development of adaptation projects and programmes will be continued. Pending a decision by the Board on the annual budget for readiness grants for technical assistance, the secretariat would launch a call for NIEs that have already received technical assistance grants for ESP before the gender policy had been approved by the Board, to submit proposals for implementing the Fund's gender policy, including updating the NIEs policies and rules of procedure in line with the gender policy and also aligning the gender policy with the Fund's ESP. The amount available for each NIE in this case would be a maximum of US\$ 10,000. It is proposed that the secretariat set aside US\$ 50,000 as direct transfers from the trustee for TA-GP grants.

(f) *Project formulation assistance (PFA) grants*: Additional small grants on top of project formulation grants (PFGs) for NIEs that need funding to undertake a specific technical assessment (i.e. EIA, vulnerability assessment etc.) would continue to be available to NIEs. Pending a decision by the Board at its twenty-ninth meeting, the amount available for each NIE for project formulation assistance (PFA) could be a maximum of US\$ 20,000. These grants would only be available for NIEs going through the two-step project approval process. The secretariat would disseminate information on the review and application procedures for the PFA grant through the Fund's website and network pending a decision by the Board on the availability of the grant at its twenty-ninth meeting. It is proposed that the secretariat set aside US\$ 100,000 as direct transfers from the trustee for PFA grants.

3. Table 1 below shows the proposed increase in the allocation of the readiness budget as direct transfers from the trustee and at the instruction of the Board. A detailed breakdown of the cumulative budget for each of the readiness small grants that have been set aside and approved by the Board is presented in schedule 2 of this annex.

Table 1: Proposed allocation to be set aside as direct transfers from the trustee⁸

Cumulative amount set aside for the Grants (A)	Grants disbursed (B)	Remaining amount set aside (A) – (B)	Proposed Increase in Grants Set Aside for FY18
US\$ 1,290,000	US\$ 829,794	US\$ 460,206	US\$ 239,794

*As per document AFB/B.27/7 PFA grants could be disbursed after the secretariat developed, under the guidance of the PPRC, criteria for the provision of these grants. Meeting this requirement will be discussed at the 29th meeting of the Board and would be considered to have been fulfilled if the proposed criteria for the PFA grants discussed at the 20th meeting of the PPRC are approved by the Board.

⁸ A more detailed cumulative allocation breakdown is outlined in Schedule 2 of this Annex.

Component 2: Cooperation/Partnership with climate finance readiness providers

4. The activities that fall under this component include:

(a) *Working with other providers of readiness support:* The Fund has partnered with other providers of readiness support to help raise awareness of the technical assistance available for developing countries through the network and will seek to strengthen such partnerships in FY18.

(i) *Community of practice for providers of readiness support for adaptation:* The possibility of establishing a community of practice with providers of readiness support for adaptation will be explored. This would advance targeted support to entities of the Fund by other organizations and enhance structured dialogue and exchange of information on entities receiving support from other providers of readiness support on a regular basis e.g. on a biannual basis with the possibility of one face to face meeting per year. Information and experiences from the community would be fed into the input provided by the Readiness Programme to inform other Fund functions, e.g. at accreditation panel and PPRC meetings. Targeted organizations for the community of practice could include the Climate Technology Centre and Network (CTCN), *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), *Institut de la Francophonie pour le développement durable* (IFDD), USAID Asia Adapt, World Resources Institute (WRI), United Nations Environment Programme (UNEP), and others.

(ii) *Strengthening country level monitoring and evaluation:* Drawing on the community of practice for providers of readiness support, the secretariat will explore partnerships with organizations and institutions, including civil society organizations, bilateral and multilateral funds with adaptation and project monitoring and evaluation experience to share tools, methodologies and approaches for project monitoring and evaluation (M&E) at the national level, including drawing on these expertise to enhance the depth of discussion at readiness webinars, workshops and seminars. These kinds of partnerships could also help increase coherence on M&E in adaptation in the longer term.

(b) *General cooperation with partners:* The Readiness Programme will continue efforts to share knowledge and provide information and guidance on the Fund's accreditation and project processes and procedures to NGOs, multilaterals and bilateral organizations etc. that are already working with NIEs to get accredited and supporting them to develop projects. This includes facilitating the Fund's accredited implementing entities, in particular NIEs/RIEs, to participate at key UNFCCC meetings and convene where necessary, at such meetings to share and exchange on topics that could include adaptation measures, procurement, stakeholder engagement, monitoring and evaluation (M&E), results based management, etc. The secretariat will also continue to raise awareness of the Fund's readiness activities, knowledge and experience in direct access and financing adaptation by participating at events and meetings hosted by other climate funds and bodies, such as the UNFCCC subsidiary body meetings; the Durban Forum on

Capacity Building. The programme will continue to explore new partnerships and maintain existing ones in hosting readiness events and enhancing capacity building for national and regional implementing entities in managing and implementing the project full cycle process for adaptation projects and programmes.

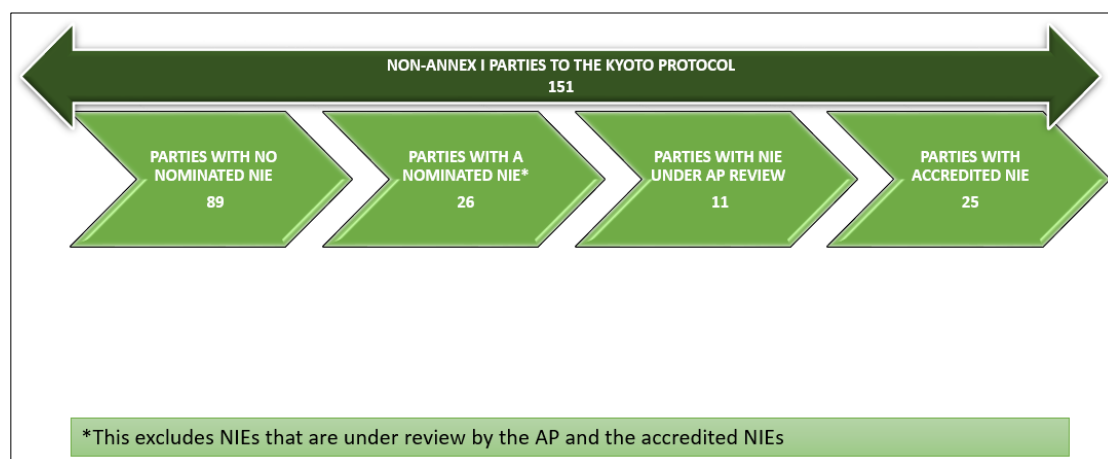
Component 3: Support to countries seeking accreditation

5. In FY18 the secretariat will focus on providing support on the accreditation process with activities that include:

(a) *South-South cooperation grants*: the secretariat will continue work from previous years and launch a call for proposals for countries seeking accreditation with the Fund to submit through an eligible accredited NIE, a proposal for peer support. The grant would be used to support the country seeking accreditation with the Fund to prepare and submit an application for accreditation to the Fund. The amount available for each country will be a maximum of US\$ 50,000. It is proposed that the secretariat set aside US\$ 300,000 as direct transfers from the trustee for S-S cooperation grants.

(b) *Support package to advance the readiness pipeline*: The list of countries that could benefit from support available through the Readiness Programme to encourage and support them to advance in the process to get accreditation with the Fund includes 126 Non-Annex I country Parties to the Kyoto Protocol. This “readiness pipeline” of countries that do not yet have a NIE accredited with the Fund includes 27 least developed countries (LDCs), 24 small island developing states (SIDS) and 9 LDCs that are also SIDS. The categories of countries in the readiness pipeline are shown in figure 1 below:

Figure 1: Readiness pipeline to support countries that are not yet accredited with the Adaptation Fund



6. The readiness support planned in FY18 will be structured as a readiness support package, targeting the 26 countries that have already nominated an applicant NIE but of which NIE is not yet under review by the Accreditation Panel (AP). Where possible, countries that have not yet nominated an NIE will also be included. The package includes providing readiness support using various tools such as grants, financing technical support to meet the Fund’s fiduciary standards

through experts and partner organizations and workshops to support the progression of the nominated NIEs up to the point of submission of a complete application for review by the AP. The support will be tailored to address specific gap areas identified by the NIEs as requiring further assistance and capacity support from the secretariat. Where possible, the workshops will be held as a concerted effort with partners, which could include the Green Climate Fund and accredited implementing entities of the Adaptation Fund. It is proposed that the Board set aside US\$ 100,000 as direct transfers from the trustee in grants to facilitate technical support for accreditation under the readiness package.

(c) *Tools and guidance documents:* A selection of the Fund's guidance documents and tools that support accreditation of implementing entities will be translated into the official United Nations languages to support understanding and knowledge dissemination on the Fund's requirements for accreditation. This includes the ESP and related guidance document, gender policy and other instruction documents. A list of frequently asked questions (FAQs) and corresponding responses an entity would need to know when applying for accreditation will be developed and circulated to countries in the accreditation pipeline and also disseminated widely via the Fund's network.

(d) *Paper on capacity building and readiness support:* The secretariat notes that there are a number of readiness and capacity building initiatives by various organizations, including capacity building frameworks established under the UNFCCC COP, Kyoto Protocol, and the Paris Agreement. A consultant would be commissioned to research and put together a paper to guide effectiveness and advance understanding on targeted capacity building needs for Direct Access. The paper would have three sections that can be extracted for use and dissemination individually and broadly looking at understanding national capacity needs and challenges for Direct Access, including advancing understanding of the international readiness support landscape, drawing lessons from what other organizations are doing, and discussing the added value of readiness work from the Fund into this landscape. The three sections of the paper would include: (1) A global perspective of how the Adaptation Fund is seen by countries in the global finance architecture; (2) An outline of how readiness is defined in the global finance architecture and defining capacity building for Direct Access through readiness support, including a discussion on the capacity gaps for Direct Access, as well as discussing how capacity needs are understood by (a) other providers of readiness support and articulation of capacity building under the UNFCCC e.g. in the framework on capacity building under the Convention and Kyoto protocol, in the Durban Forum on Capacity Building, and in the Paris Agreement (b) types of capacity needed, and (c) level, which would include both a common perspective (e.g., principles of capacity building that might be useful for all providers of readiness support; lessons from recent experiences within the Fund and by other providers of readiness support; how to enhance country ownership for Direct Access), as well as national perspectives (working with local institutions); and (3) Achievements of the Adaptation Fund Readiness Programme and recommendations for advancing targeted support through the programme drawing on the findings from all three sections above.

Component 4: Knowledge management

7. Activities under this component include:

(a) *Community of practice for NIEs of the Fund:* The secretariat is currently exploring together with accredited NIEs, the options available for managing and maintaining an online platform for hosting the Fund's community of practice for NIEs. The platform will provide an online avenue for NIEs to exchange experiences, learn from each other, share knowledge and engage on a regular and on-going basis. The secretariat will initially drive discussions and guide the dialogue on the platform, with the intention of playing more of a facilitator role in future, and having NIEs lead the content and flow of dialogue on the platform. The secretariat will continue to use other tools such as the Adaptation Fund readiness webinars and annual NIE seminars as additional platforms for use by the NIE community of practice.

(b) *Continue support for the knowledge microsite:* The secretariat will continue to work with CDKN to provide relevant content, publicize, and look into how to enhance the content and accessibility of the Climate Finance Ready site.

(c) *Contribution to the Fund's Knowledge Management strategy:* During the course of FY18 the coordinator of the Readiness Programme will participate as a representative of the Fund's knowledge management team that was established as part of the implementation elements of the Fund's knowledge management strategy. Activities that will be implemented as contribution to the Fund's knowledge Management strategy include maintenance of the climate finance ready microsite, social collaboration through climate finance webinar series, and cooperation with other organizations e.g. Care international for exchange of adaptation tools, knowledge and experiences "deliverable for KM strategy. The Readiness Programme will specifically lead on the implementation of Component 4 of the Fund's knowledge management framework (*Fostering Broader Knowledge Sharing with countries and all climate change stakeholders including CSOs, governments, other Funds and research Institutions*) through activities outlined in this document for FY18.

Schedule 1: Activity work schedule for FY18

Readiness Programme for Climate Finance FY18 Work Schedule													
Activities	Month						Month						
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jun-18
	Week ending			Week ending			Week ending			Week ending			
	28-Jul	25-Aug	22-Sep	20-Oct	17-Nov	15-Dec	12-Jan	9-Feb	9-Mar	6-Apr	4-May	1-Jun	29-Jun
Annual Climate finance readiness seminar for NIEs #4													
Translation of Adaptation Fund accreditation and project tools and guidance documents													
Paper/Study on access to readiness and capacity building support													
Launch and review of readiness grants				AFB 30									
Adaptation Fund Readiness Webinar #5													
Workshops for the readiness pipeline to support accreditation													
Community of practice for other providers of readiness support: online sharing and exchange													
Convening NIEs at COP 23													
Project portfolio monitoring missions with NIEs: Mission 1													
Adaptation Fund Readiness Webinar #6							Preparation for AFB 31						
General cooperation with partners: Participation at SB48													
Community of practice for other providers of readiness support: face -to-face meeting alongside SB48													
Project portfolio monitoring missions with NIEs: Mission 2													
Climate Finance Ready Microsite: maintenance, awareness raising and contributing information													
Facilitate online platform for NIE community of practice													

Schedule 2: Cumulative allocation for readiness small grants set aside and approved by the Board as of March 2017

Grant type	Approved FY14 and FY15 (US\$)	Disbursed FY14 and FY15 (US\$)	Approved FY16 (US\$)	Disbursed FY16 (US\$)	Approved FY17 (US\$)	Disbursed FY17 (US\$)	Cumulative balance FY15 to FY17 (US\$) (A)	Proposed increase in allocation FY18 (US\$) (B-A)	Proposed total available for grants FY18 (US\$) (B)
Technical assistance grants for the environmental and social policy	200,000	-	100,000	118,000	-	-	182,000	(182,000)	-
Technical assistance grants for the environmental and social policy and gender policy (TA-ESP-GP)	-	-	-	-	140,000	145,000	(5,000)	155,000	150,000
Technical assistance grants for the gender policy (TA-GP)	-	-	-	-	100,000	30,000	70,000	(20,000)	50,000
Project formulation assistance (PFA)	-	-	150,000	-	100,000	-*	250,000	(150,000)	100,000
South-South cooperation	100,000	194,447	150,000	242,347	250,000	100,000	(36,794)	336,794	300,000
Technical assistance through the readiness support package	-	-	-	-	-	-	-	100,000	100,000
Total	300,000	194,447	400,000	360,347	590,000	275,000	460,206	239,794	700,000