



ADAPTATION FUND

AFB/B.29/9
12 May 2017

ADAPTATION FUND BOARD

Twenty-ninth Meeting

Bonn, Germany, 16-17 March 2017

REPORT OF THE TWENTY-NINTH MEETING OF THE ADAPTATION FUND BOARD

Introduction

1. The twenty-ninth meeting of the Adaptation Fund Board (the Board) was held at the 'Langer Eugen' United Nations Campus, in Bonn, Germany, from 16 to 17 March 2017, back-to-back with the twentieth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) of the Board.
2. The meeting was broadcast live through the websites of the Adaptation Fund (the Fund) and the United Nations Convention to Combat Desertification (UNCCD). The UNCCD also provided logistical and administrative support for the meetings of the Board and its committees.
3. The list of the members and alternate members of the Board who participated in the meeting is attached as **Annex I**. A list of accredited observers present at the meeting can be found in document AFB/B.29/Inf.3.

Agenda Item 1: Opening of the meeting

4. The meeting was opened at 9:10 a.m. on Thursday, 16 March 2017, by the outgoing Chair, Mr. Naresh Sharma (Nepal, Least Developed Countries).

Agenda Item 2: Election of outstanding officers

5. The Adaptation Fund Board (the Board) decided:
 - (a) To elect Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean) as Vice-Chair of the Board;
 - (b) To elect Mr. Chebet Maikut (Uganda, Least Developed Countries) as Chair of the Accreditation Panel;

(c) To elect David Kaluba (Zambia, Africa), Mr. Naser Moghaddasi (Islamic Republic of Iran, Asia-Pacific), Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe), Mr. Lucas Di Pietro Paolo (Argentina, Latin America and the Caribbean), Mr. Michael Jan Hendrik Kracht (Germany, Annex I Parties), Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties), and Mr. Marc-Antoine Martin (France, Annex I Parties) as members of the medium-term strategy task force, and

(d) To elect Ms. Sylviane Bilgischer (Belgium, Western Europe and Others Group) as a member of the Resource Mobilization Task Force.

(Decision B.29/1)

Agenda Item 3: Transition of the Chair and the Vice-Chair

6. Mr. Sharma handed over the Chairmanship to the incoming Chair, Mr. Michael Jan Hendrik Kracht (Germany, Annex I Parties).

7. Mr. Kracht was joined by the Vice-Chair of the Board, Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean).

Agenda Item 4: Organizational matters

a) Adoption of the agenda

8. The Board considered the provisional agenda contained in document AFB/B.29/1/Rev.1 and the annotated provisional agenda and provisional timetable contained in document AFB/B.29/2/Rev.1.

9. The Chair proposed that a sub-item on the recruitment of a manager for the Adaptation Fund Board Secretariat (the secretariat) be added under Other Matters, as well as a sub-item to allow for a dialogue with Ms. Naoko Ishii, Head of the Adaptation Fund Board Secretariat and CEO and Chairperson of the Global Environment Facility (GEF).

10. The Board adopted the agenda as orally amended. The agenda is attached as **Annex II**.

b) Organization of work

11. The Chair proposed to take up the sub-items under Other Matters following the report on the activities of the Chair. The Board agreed to the organization of work proposed by the Chair.

12. The Chair welcomed the new Board members and alternates elected following the twelfth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 12): Mr. Ibila Djibril (Benin, Africa); Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean); Ms. Sylviane Bilgischer (Belgium, Western Europe and Others Group); Ms. Yadira González Columbié (Cuba, Latin America and the Caribbean); and Mr. Mohamed Zmerli (Tunisia, Africa). The new members and alternates briefly introduced themselves.

13. The following members and alternate members declared conflicts of interest:

Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe)

Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean)

Mr. Samuela Lagataki (Fiji, Small Island Developing States)

Ms. Yadira González Columbié (Cuba, Latin America and the Caribbean)

Mr. Chebet Maikut (Uganda, Least Developed Countries)

Agenda Item 5: Report on the activities of the Chair

14. The outgoing Chair reported on activities he had undertaken on the Board's behalf during the intersessional period between the twenty-eighth and twenty-ninth Board meetings.

15. Together with the secretariat, the outgoing Chair had invested considerable effort in the Marrakech Climate Conference in November 2016, a key event, as it was the first session of the Conference of the Parties (COP) to be held since the milestone session in Paris and had taken place on the heels of the entry into force of the Paris Agreement. Supported by the secretariat, he had represented the Board on several occasions at the CMP 12, by, *inter alia*: presenting the report of the Board in plenary; acting as a resource person in contact group meetings on the report of the Board and the informal consultation on the Adaptation Fund's role in the Paris Agreement; delivering a statement on behalf of the Board at the high-level segment; attending the Adaptation Fund side events and making welcoming remarks; holding a number of other meetings with various stakeholders; and generally working with the secretariat communications team to share information about the Fund.

16. The Adaptation Fund had been high on the agenda at the Marrakech conference, clearly due to the inclusion of the Adaptation Fund in decisions taken at the time of the Paris COP, and the notion that the Adaptation Fund "may" serve the Paris Agreement. Overall, the Marrakech conference had been a success for the Fund. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) had decided that the Fund "should" serve the Paris Agreement, a significant change that clearly showed parties' confidence in the Fund. Furthermore, the decisions taken in Marrakech spelled out the specific issues that parties needed to address, and called for results by the end of 2018. Finally, the Fund had been successful in mobilizing resources, exceeding its target of US\$ 80 million for 2016 by obtaining pledges and contributions of US\$ 81.5 million from Germany, Sweden, Italy, and the Flanders, Walloon and Brussels-Capital regions of Belgium.

17. The Marrakech conference had also launched the third review of the Adaptation Fund, to be based on submissions by parties and a technical paper to be developed by the United Nations Framework Convention for Climate Change (UNFCCC) secretariat in collaboration with the Adaptation Fund Board Secretariat. The review was expected to be finalized at the thirteenth session of the CMP in November 2017.

18. In addition to the work relating to the Marrakech conference, the outgoing Chair had also fulfilled his day-to-day duties, which included helping to finalize the report of the previous Board meeting and signing 18 legal agreements for projects, project formulation grants and readiness grants and 12 tranche transfer requests. Together with the incoming Chair, he had also represented the Board in the recruitment process for the new manager for the secretariat.

19. The outgoing Chair closed his remarks by thanking his fellow Board members for their support during his tenure as Chair.

20. The Adaptation Fund Board took note of the report on the activities of the Chair.

Agenda Item 6: Report on activities of the secretariat

21. The Interim Manager of the secretariat reported on the secretariat's activities during the intersessional period, as more fully described in document AFB/B.29/3/Rev.1.

22. The secretariat had organized and facilitated a number of events and meetings during the intersessional period, primarily in connection with the Climate Change Conference in Marrakech.

23. In addition to the activities in Marrakech, members of the secretariat had attended two meetings of the Green Climate Fund (GCF) Board during the intersessional period, participating as observers and in discussions that were of relevance to the Adaptation Fund. The third webinar of the Readiness Programme had also been organized and held, on the topic of "Management of environmental and social risks and gender risks in adaptation projects".

24. The secretariat had prepared a number of intersessional Board decisions during the intersessional period, mainly for grant approvals, and had prepared the documents for the current meeting, most notably the options paper for the medium-term strategy, which had been developed with help from a consultant. Work had also been done during the period on the gender policy and action plan approved in 2016, including the revision of some aspects of the operational policies and guidelines and, in consultation with a gender expert, the preparation of the gender guidance document providing supplemental information and practical guidance to implementing entities, in part through concrete examples, recommendations and suggestions for achieving and assessing compliance with the Gender Policy, in order to mainstream gender considerations throughout the Fund project and programme cycle (document AFB/B.29/Inf.6).

25. In addition, the secretariat had supported the evaluation task force in its identification of candidates for an Independent Review Panel (IRP). This was an additional step in the process of the second phase of the overall evaluation of the Fund. The IRP will be involved in the recruitment of the evaluation firm and will oversee the implementation of the evaluation, which is expected to be launched by the end of fiscal year 2017, i.e. 30 June 2017, and to last 10 months.

26. In his report, the Interim Manager of the secretariat took the opportunity to inform the Board on the upcoming celebrations for the tenth anniversary of the Fund becoming operational, which would include a celebration in the margins of the Bonn Climate Change Conference in November 2017, and a publication to highlight different aspects of the Fund's work.

27. Also of note were the arrival of a new intern, Ms. Alyssa Maria Gomes, who was working on monitoring and evaluation and knowledge management issues, the return of Ms. Aya Mimura from extended leave, and the departure of Mr. Hugo Remaury, who had been replaced by Ms. Martina Dorigo.

28. The Adaptation Fund Board took note of the report on the activities of the secretariat.

Agenda Item 7: Report of the Accreditation Panel

29. Following a closed session during which the Board members discussed the report of the twenty-fourth meeting of the Accreditation Panel (the Panel), held in Washington, D.C., on 31 January and 1 February 2017 (document AFB/B.29/4), a representative of the secretariat provided an overview of the Board's discussion.

30. She reported that the Board had considered the Panel's report on the progress made since its twenty-third meeting. Worthy of note were the Panel's recommendation and the Board's subsequent decisions to approve, intersessionally, the accreditation of the Environmental Project Implementing Unit (EPIU) of Armenia as a national implementing entity (NIE) under the streamlined accreditation process (decision B.28-29/1) and the re-accreditation of the Inter-American Development Bank (IDB) as a multilateral implementing entity (MIE) (decision B.28-29/3).

31. In considering the report, the Board had focused on the general trends in accreditation and re-accreditation as illustrated in the accreditation pipeline chart on page 3 of the Panel's report, and on other matters, in particular the streamlined accreditation process, the pipeline on accreditation and re-accreditation and readiness grant support, the guidance for the designated authorities in selecting an NIE, and lessons learned for the Panel's consideration of the grant process.

32. The representative of the secretariat informed those present that during the closed session, four board members had declared a conflict of interest in relation to the Accreditation Panel's work and had excused themselves from the room when the time came to discuss the cases under consideration.

33. Following the discussion, the Adaptation Fund Board took note of the report of the Accreditation Panel as contained in document AFB/B.29/4.

Agenda Item 8: Report of nineteenth meeting of the Project and Programme Review Committee

34. Ms. Monika Antosik (Poland, Eastern Europe), Chair of the PPRC, presented the report of the PPRC (AFB/PPRC.20/31).

35. During the adoption of the recommendations of the PPRC, it was pointed out that, as noted in the report of the PPRC, the recommendation for clarifying the scope of application of the full cost of adaptation reasoning criteria raised an issue of interest to both the PPRC and the EFC. It was suggested that the Chairs of the PPRC and the EFC should consult on how the issue could best be considered by the EFC.

36. The Board approved the following decisions on the matters considered by the PPRC at its twentieth meeting.

a) Full cost of adaptation reasoning

37. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC), and in line with the Operational Policies and Guidelines (OPG), which stipulate that "The Board may provide further guidance on financing priorities, including through the integration of information based on further research on the full costs of adaptation and on the lessons learned", the Adaptation Fund Board decided:

(a) To reconfirm the definition of "full costs of adaptation" as stated in the Operational Policies and Guidelines (OPG); and

(b) To request the secretariat, taking into account the orientations provided by the medium-term strategy of the Adaptation Fund, to perform an analysis and collect lessons learned on how the full costs of adaptation has been applied by the Adaptation Fund and make recommendation on the way forward including potential further conceptual development of

applying the full costs of adaptation, for consideration of the PPRC at its twenty-second meeting.

(Decision B.29/3)

b) Issues identified during project/programme review;

38. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To include in its work plan for fiscal year 2018 a program of work amounting to US\$ 30 million for the funding of regional project and programme proposals, as follows:

(i) Up to three proposals requesting up to US\$ 5 million for funding;

(ii) One proposal requesting up to US\$ 14 million of funding;

(iii) Up to five project formulation grant (PFG) requests, of up to US\$ 100,000 each, for preparing project and programme concepts or fully-developed project documents requesting up to US\$ 5 million of funding;

(iv) Up to five project formulation grant (PFG) requests, of up to US\$ 100,000 each, for preparing project and programme concepts or fully-developed project documents requesting up to US\$ 14 million of funding.

(Decision B.29/4)

c) Project/programme proposals

Concept proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

Federated States of Micronesia: Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federates States of Micronesia (Project Concept; Micronesia Conservation Trust (MCT); FSM/NIE/Multi/2016/2; US\$ 970,000)

39. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To endorse the project concept, as supplemented by the clarification response provided by Micronesia Conservation Trust (MCT) to the request made by the technical review;

(b) To request the secretariat to transmit to MCT the observations in the review sheet annexed to the notification of the Board's decision as well as the following issues:

(i) The fully-developed project document should further strengthen the adaptation reasoning, and the cohesion between the objective, expected outputs and expected outcomes of the project;

- (ii) At the fully-developed project document stage, a further update on the status of policy frameworks (likely for Chuuk and Yap) for state-level protected areas networks should be provided;
 - (iii) The fully-developed proposal should provide more information on the equitable distribution of benefits to vulnerable communities, households, and individuals;
 - (iv) A learning and knowledge management component to capture the lessons learnt of the project as a whole should be provided. The activities presented under the relevant section in the proposal should be reflected in existing outputs;
 - (v) The environmental and social risks table, based on the 15 Principles of the Adaptation Fund's Environmental and Social Policy (ESP), should be evidence and risk-based, and the activities envisaged to help manage those risks should be more explicit, hence demonstrating how the Adaptation Fund ESP requirements will be met;
- (c) To approve the Project Formulation Grant of US\$ 30,000;
 - (d) To request MCT to transmit the observations under sub-paragraph (b) to the Government of the Federated States of Micronesia; and
 - (e) To encourage the Government of the Federated States of Micronesia to submit through MCT a fully-developed project proposal that would address the observations under sub-paragraph (b) above.

(Decision B.29/5)

Regular proposals:

Armenia (1): Artik city closed stone pit wastes and flood management pilot project (Project Concept; Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia; ARM/NIE/Urban/2017/1; US\$ 1,385,380)

40. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) Not to endorse the project concept, as supplemented by the clarification response provided by the Environmental Project Implementation Unit (EPIU) to the request made by the technical review;
- (b) To suggest that EPIU reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The adaptation reasoning of component 1 related to the reclamation and management of a closed mine site, and of component 2, which aims at creating a flexible system of flood management for Artik, needs to be better demonstrated;
 - (ii) The proposal should be presented following the Adaptation Fund proposal template and completing the relevant sections of the template, taking into account the instructions provided under Annex 5 of the Adaptation Fund Operational Policies and Guidelines;

- (c) Not to approve the Project Formulation Grant of US\$ 27,000; and
- (d) To request EPIU to transmit the observations under sub-paragraph (b) to the Government of Armenia.

(Decision B.29/6)

Armenia: Sustainable management of adjacent ecosystems of specially protected nature areas of the RA and capacity building in communities (Project Concept; Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia; ARM/NIE/Forest/2017/1; US\$ 2,483,000)

41. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) Not to endorse the project concept, as supplemented by the clarification responses provided by the Environmental Project Implementation Unit (EPIU) to the request made by the technical review;
- (b) To suggest that EPIU reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project document should clarify, and in particular with regard to the capacity building aspects under component 1, what the concrete adaptation activities of the project are and how these activities are related to concrete outputs, including how they contribute to climate resilience;
 - (ii) The relevant sections of the proposal template should be completed as per the instructions provided under Annex 5 of the Adaptation Fund's Operational Policies and Guidelines;
 - (iii) The fully-developed project document should clarify, in line with the Fund's Gender Policy, whether there are any existing vulnerabilities for women and if there are, whether it is intended that the project outputs and outcomes would address these;
 - (iv) The fully-developed project document should provide an initial identification of project environmental and social impacts taking into consideration (ii) and (iii) above, and also provide an initial assessment of whether the project is expected to be Category A, B, or C in accordance with the Fund's Environmental and Social Policy;
- (c) Not to approve the Project Formulation Grant of US\$ 30,000; and
- (d) To request EPIU to transmit the observations under sub-paragraph (b) to the Government of Armenia.

(Decision B.29/7)

Dominican Republic: Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme (Project Concept; the Dominican Institute of Integral Development (IDDI); DOM/NIE/Water/2016/1; US\$ 9,954,000)

42. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project concept, as supplemented by the clarification response provided by the Dominican Institute of Integral Development (IDDI) to the request made by the technical review;
- (b) To request the secretariat to transmit to IDDI the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The full proposal should strengthen the demonstration of how the project's interventions beyond the water points/dams would improve the socio-economic situation of the population involved in livestock production in Cristobal, reduce their vulnerability and make them more adaptive to identified shocks of climate;
 - (ii) The full proposal should clarify the operations of the Provincial Climate Change Adaptation Monitoring Committee (PCCAMC), including how it would be funded beyond the project, or if it would be absorbed into the existing entities (Governance, local governments, Ministry of Economy, Planning and Development, Emergency Operations Centre, Ministry of Public Health, Ministry of Environment and Natural Resources, National Institute for Water Resources and National Institute for Drinking Water and Sewerage);
- (c) To approve the Project Formulation Grant of US\$ 30,000;
- (d) To request IDDI to transmit the observations under sub-paragraph (b) to the Government of the Dominican Republic; and
- (e) To encourage the Government of Dominican Republic to submit through IDDI a fully-developed project proposal that would address the observations under sub-paragraph (b) above.

(Decision B.29/8)

Proposals from Regional Implementing Entities (RIEs)

Ecuador: Increasing adaptive capacity of local communities, ecosystems and hydroelectric systems in the Toachi – Pilatón watershed with a focus on Ecosystem and Community Based Adaptation and Integrated Adaptive Watershed Management (Project concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); ECU/RIE/Rural/2016/1; US\$ 2,489,373)

43. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project concept, as supplemented by the clarification response provided by *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America) to the request made by the technical review;
- (b) To request the secretariat to transmit to CAF the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The fully-developed proposal should include more details on how outputs will be achieved and linked together during project implementation;
 - (ii) The fully-developed proposal should more extensively outline, detail, and quantify the benefits of the project, including a more thorough plan of how women and marginalized groups will be involved and will benefit from the project;
 - (iii) The fully-developed proposal should provide a more detailed analysis of the project's cost effectiveness, adaptation reasoning and how the sustainability of the project outcomes has been taken into account when designing the project;
 - (iv) The fully-developed proposal should include a brief plan for how gender considerations will be taken into account in the project;
- (c) To request CAF to transmit the observations under sub-paragraph (b) to the Government of Ecuador; and
- (d) To encourage the Government of Ecuador to submit through CAF a fully-developed project proposal that would address the observations under sub-paragraph (b) above.

(Decision B.29/9)*Proposals from Multilateral Implementing Entities (MIEs)*

Suriname: Urban Investments for the Resilience of Paramaribo: Building adaptive capacity of Paramaribo communities to climate change-related floods and sea level rise through strategic urban planning and sustainable infrastructure investments (Project Concept; Inter-American Development Bank (IDB); SUR/MIE/Urban/2017/1; US\$ 9,801,619)

44. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project concept, as supplemented by the clarification response provided by the Inter-American Development Bank (IDB) to the request made by the technical review;
- (b) To request the secretariat to transmit to IDB the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) During project development, a more comprehensive assessment of expected beneficiaries, linked with the expected outcomes and outputs, should be provided;
 - (ii) The fully-developed project document should further demonstrate the coherence and integration between its components;
 - (iii) The fully-developed project document should provide more information on how land management planning at the municipal level related to national goals;
 - (iv) The fully-developed project document should elaborate on the analysis that will be carried out to make sure that biodiversity benefits are maximized, and potential impacts on local vegetation minimized;

- (v) The fully-developed proposal should demonstrate that further consultations have taken place in order to ensure that the communities fully support and feel ownership over the adaptation effort, including the measures selected; the comprehensive consultation process should cover key issues that were not discussed before, such as inundation, climate change and gender;
 - (vi) During the fully-developed proposal preparation stage, a more elaborate plan for ensuring sustainability of the infrastructure should be provided, including the perspectives from the communities consulted;
 - (vii) At the fully-developed project document stage, an Environmental and Social Management Plan should be prepared as required, including all subprojects or activities identified during project development;
- (c) To request IDB to transmit the observations under sub-paragraph (b) to the Government of Suriname; and
- (d) To encourage the Government of Suriname to submit through IDB a fully-developed project proposal that would address the observations under sub-paragraph (b) above.

(Decision B.29/10)

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Regular proposals:

Antigua and Barbuda: An integrated approach to physical adaptation and community resilience in Antigua and Barbuda's northwest McKinnon's watershed (Fully-developed Project Document; Department of Environment, Ministry of Health and the Environment; ATG/NIE/Multi/2016/1; US\$ 9,970,000)

45. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by Department of Environment of Antigua and Barbuda (ABED) to the request made by the technical review;
- (b) To approve the funding of US\$ 9,970,000 for the implementation of the project, as requested by ABED; and
- (c) To request the secretariat to draft an agreement with ABED as the National Implementing Entity for the project.

(Decision B.29/11)

Ethiopia: Climate Smart Integrated Rural Development Project (Fully-developed Project Document; Ministry of Finance and Economic Cooperation of Ethiopia (MOFEC); ETH/NIE/Rural/2016/1; US\$ 9,987,910)

46. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by Ministry of Finance and Economic Cooperation (MOFEC), Ethiopia to the request made by the technical review;
- (b) To approve the funding of US\$ 9,987,910 for the implementation of the project, as requested by MOFEC; and
- (c) To request the secretariat to draft an agreement with MOFEC as the National Implementing Entity for the project.

(Decision B.29/12)

Panama: Adapting to climate change through integrated water management in Panama (Fully-developed Project Document; *Fundación Natura*; PAN/NIE/Water/2016/1; US\$ 9, 967,559)

47. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by *Fundación Natura* to the request made by the technical review;
- (b) To approve the funding of US\$ 9, 967,559 for the implementation of the project, as requested by *Fundación Natura*; and
- (c) To request the secretariat to draft an agreement with *Fundación Natura* as the National Implementing Entity for the project.

(Decision B.29/13)

Proposals from Regional Implementing Entities (RIEs)

Regular proposals:

Federated States of Micronesia: Enhancing the climate change resilience of vulnerable island communities in Federated States of Micronesia (Fully-developed Project Document; Secretariat of the Pacific Regional Environment Programme (SPREP); FSM/RIE/Coastal/2015/1; US\$ 9,000,000)

48. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by the Secretariat of the Pacific Regional Environment Programme (SPREP) to the request made by the technical review;
- (b) To approve the funding of US\$ 9,000,000 for the implementation of the programme, as requested by SPREP;

(c) To request the secretariat to draft an agreement with SPREP as the Regional Implementing Entity for the project, following confirmation from SPREP that the following issues have been addressed:

(i) The safeguard conditions which were imposed by the Kosrae Island Resource Management Authority (KIRMA) when approving the road infrastructure development component of the project should be integrated in the project environmental and social management plan (ESMP); and

(ii) KIRMA should confirm that the approval applies to the final alignment of the road and that the permit conditions are adequate, as KIRMA's approval was based on a plan and an Environmental Impact Assessment (EIA) for which the current final alignment was considered only as an alternative alignment.

(Decision B.29/14)

Guinea-Bissau: Scaling up climate-smart agriculture in East Guinea-Bissau (Fully-developed Project Document; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); GNB/RIE/Agri/2015/1; US\$ 9,979,000)

49. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) Not to approve the project document, as supplemented by the clarification response provided by *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank) to the request made by the technical review;

(b) To suggest that BOAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The proposal should clarify the environmental and social risk management arrangements in the project, taking into account the specific requirements of the unidentified subproject (USP) approach, and also specifically the risk of relocation of livelihood activities as a consequence of the project, the risk of water retention structures limiting water availability downstream, as well as the implementing entity's role in environmental and social risk management;

(ii) The project to be implemented by BOAD with financing of approximately US\$ 10 million from the Green Climate Fund, with a focus on livestock resilience in the Northwest and Northeast of Guinea-Bissau should be explained in more detail, and the synergies and lack of overlap with the proposed project should be elaborated;

(iii) The sustainability of the institutional arrangements should be elaborated for managing: fertilizer and pesticide inputs, the possible alternatives to them, and agricultural equipment, during and beyond the project, including the role of the non-governmental organization and earlier experiences of such a model in Guinea-Bissau; and

(c) To request BOAD to transmit the observations under sub-paragraph (b) to the Government of Guinea-Bissau.

(Decision B.29/15)

Peru: AYNINACUY: Strengthening the livelihoods for vulnerable highland communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Region of Arequipa, Peru (Fully-developed project document; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); PER/RIE/Rural/2015/1; US\$ 2,941,446)

50. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America) to the request made by the technical review;
- (b) To approve the funding of US\$ 2,941,446 for the implementation of the project, as requested by CAF; and
- (c) To request the secretariat to draft an agreement with CAF as the Regional Implementing Entity for the project.

(Decision B.29/16)

Proposals from Multilateral Implementing Entities (MIEs)

Fiji: Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks (Fully-developed Project Document; United Nations Human Settlements Programme (UN-Habitat); FJI/NIE/Urban/2016/1; US\$4,200,000)

51. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) Not to approve the fully-developed project document, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the requests made by the technical review;
- (b) To suggest that the UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) Provide more substantial and specific information on the assets to be developed by the project and how they are integrated into the project design;
 - (ii) Clarify the cost-effectiveness reasoning in the case of this specific project, including comparison to alternative solutions;
 - (iii) Ensure that a specific, comprehensive and informed consultation process has taken place, and informed the project design process through documented feedback. This consultation should include vulnerable groups and take into account gender considerations;
 - (iv) Further detail the project budget;

- (v) Elaborate on how gender considerations are taken into account in the setting of targets for concrete adaptation interventions; and
- (c) To request the UN-Habitat to transmit the observations referred to in sub-paragraph (b) above to the Government of Fiji.

(Decision B.29/17)

Honduras: Ecosystem-Based Adaptation at Communities of the Central Forest Corridor in Tegucigalpa (Fully-developed Project Document; UNDP; HND/MIE/Multi/2016/1; US\$ 4,379,700)

52. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) To approve the funding of US\$ 4,379,700 for the implementation of the project, as requested by UNDP; and
- (c) To request the secretariat to draft an agreement with UNDP as the Multilateral Implementing Entity for the project.

(Decision B.29/18)

Paraguay: Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco region of Paraguay (Fully-developed Project Document; United Nations Environment Programme (UNEP); PRY/MIE/Food/2012/1; US\$ 7,128,450)

53. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the project document, as supplemented by the clarification response provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) To approve the funding of US\$ 7,128,450 for the implementation of the project, as requested by UNEP; and
- (c) To request the secretariat to draft an agreement with UNEP as the Multilateral Implementing Entity for the project.

(Decision B.29/19)

Solomon Islands: Enhancing urban resilience to climate change impacts and natural disasters: Honiara (Fully-developed Project Document; United Nations Human Settlements Programme (UN-Habitat); SLB/MIE/Urban/2016/1; US\$ 4,395,877)

54. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) Not to approve the project document as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should clarify how the waste management activities, and their related outputs, will be sustained in the future to prevent the current waste situation re-occurring again, and clarify if there will be new laws or regulations on waste management and the improper disposal of waste;
 - (ii) The proposal should demonstrate that land tenure considerations have been taken into account as it relates to the type of adaptation infrastructure interventions that can be taken on lands which have different tenure arrangements and licenses to occupy;
 - (iii) The proposal should provide clear information as to whether there will be co-operation and linkages with the World Bank project "Community Resilience to Climate and Disaster Risk in the Solomon Islands"; and
- (c) To request UN-Habitat to transmit the observation under sub-paragraph (b) to the Government of Solomon Islands.

(Decision B.29/20)

d) *Funding for proposals under the pilot programme for regional activities*

Concept proposals

Proposal from Regional Implementing Entity (RIE)

Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama: Productive Investment Initiative for Adaptation to Climate Change (Project concept; Central American Bank for Economic Integration (CABEI); LAC/RIE/Inno/2016/1; US\$ 5,000,000)

55. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To defer further consideration of this project until the twenty-second meeting of the Project and Programme Review Committee; and
- (b) To request the secretariat to communicate the decision under sub-paragraph (a) to the Central American Bank for Economic Integration (CABEI);
- (c) To request CABEI to communicate the decision of the Board to the governments of Costa Rica, the Dominican Republic, El Salvador, Guatemala, , Honduras, Nicaragua and Panama.

(Decision B.29/21)

Proposal from Multilateral Implementing Entity (MIE)

The Comoros, Madagascar, Malawi and Mozambique: Building Urban Climate Resilience in South-eastern Africa (Project Concept; United Nations Human Settlements Programme (UN-Habitat); AFR/MIE/DRR/2016/1; US\$ 13,544,055)

56. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project concept, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To approve the Project Formulation Grant of US\$ 80,000; and
- (c) To encourage the Governments of the Comoros, Madagascar, Malawi and Mozambique to submit through UN-Habitat a fully-developed project document for the Board's consideration.

(Decision B.29/22)

Cuba, the Dominican Republic and Jamaica: Risk Reduction Management Centres: local adaptation response to national climate and early warning information in the Caribbean (Project Concept; United Nations Development Programme (UNDP); LAC/MIE/DRR/2015/1; US\$ 4,969,367)

57. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) Not to endorse the project concept, as supplemented by the clarification response provided by United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) To suggest that UNDP reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should ensure that community level consultations have taken place in all participating countries;
 - (ii) The proposal should provide information on the main activities planned to be carried out for each output, in particular to highlight the concrete adaptation actions;
 - (iii) The proposal should explain how drawing on lessons from earlier projects would be carried out in the scope of this project, and how those lessons would be applied;
 - (iv) The proposal should identify communities and their vulnerabilities during the design stage, and to design interventions accordingly;
- (c) Not to approve the Project Formulation Grant of US\$ 80,000; and
- (d) To request UNDP to transmit the observations under sub-paragraph (b) to the Governments of Cuba, the Dominican Republic and Jamaica.

(Decision B.29/23)**Fully-developed proposals***Proposals from Regional Implementing Entities (RIEs)*

Chile and Ecuador: Reducing climate vulnerability in urban and semi urban areas in cities in Latin America (Fully-developed Project Document; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); LAC/RIE/DRR/2015/1; US\$ 13,910,400)

58. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) Not to approve the project document, as supplemented by the clarification response provided by the Banco de Desarrollo de America Latina (CAF) to the request made by the technical review;

(b) To suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The proposal should explain whether vulnerable groups have been involved in interviews and meetings that have represented the main interaction with the community, and present a list of the participants and their specific feedback;

(ii) Information on technical designs and specifications should be presented in an accessible format, duly integrated and referenced in the main text of the proposal, with the key information provided in English;

(iii) The environmental and social risk identification should provide supporting evidence, and it should be ensured that the stakeholder analysis is up to date, especially with regard to vulnerable groups;

(iv) The proposal should provide a comprehensive, evidence-based impact assessment commensurate with the risks;

(v) The proposal should explain how technical staff, such as engineers, would be integrated into the project and be included in any training programmes;

(vi) The proposal should clarify how the proponent (CAF) would apply its Environmental and Social Management System to ensure compliance with the national and Adaptation Fund policy requirements;

(vii) The proposal should elaborate on the financial and project risk mitigation measures of the project; and

(c) To request CAF to transmit the observations under sub-paragraph (b) to the Governments of Chile and Ecuador.

(Decision B.29/24)

Proposals from Multilateral Implementing Entities (MIEs)

Burundi, Kenya, Rwanda, the United Republic of Tanzania and Uganda: Adapting to Climate Change in Lake Victoria Basin (Fully-developed Project Document; United Nations Environment Programme (UNEP); AFR/MIE/Water/2015/1; US\$ 5,000,000)

59. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) Not to approve the fully-developed project document, as supplemented by the clarification response provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;

(b) To suggest that UNEP reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The fully developed project document should provide appropriate identification of potential risks or impacts that the project could generate, following the 15 Principles of the Environmental and Social Policy (ESP) of the Adaptation Fund. For principles requiring further assessment for compliance, adequate mitigation measures should be provided for the risks or impacts identified;

(ii) The fully-developed project document should describe the process for overall ESP risk management and the implementation of the Environmental and Social Management Plan (ESMP), with a strong emphasis on the identification and management of unidentified subproject risks. The risks should be organised according to the 15 principles of the ESP and include the risks identified during the screening process;

(iii) The grievance redress mechanism should be more specific and include independent channels for receiving complaints and grievances; and

(c) To request UNEP to transmit the observations under sub-paragraph (b) to the Governments of Burundi, Kenya, Rwanda, the United Republic of Tanzania and Uganda.

(Decision B.29/25)

Colombia and Ecuador: Building adaptive capacity through food security and nutrition actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area (Fully-developed Project Document; World Food Programme (WFP); LAC/MIE/Food/2015/1; US\$ 14,000,000)

60. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) Not to approve the project document, as supplemented by the clarification response provided by the World Food Programme (WFP) to the request made by the technical review;

(b) To suggest that WFP reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The fully-developed project document needs to acknowledge its inherent environmental and social risks. The risks identification should be compliant with the Environmental and Social Policy of the Fund, and the subsequent categorisation of the project should be justified;
- (ii) An adequate Environmental and Social Management Plan (ESMP) should be provided, including appropriate arrangements for unidentified subprojects (USPs) risk identification and management; and
- (c) To request WFP to transmit the observations under sub-paragraph (b) to the Governments of Colombia and Ecuador.

(Decision B.29/26)

Ethiopia, Kenya and Uganda: Agricultural Climate Resilience Enhancement Initiative (ACREI) (Fully-developed Project Document; World Meteorological Organization (WMO); AFR/MIE/Food/2015/2; US\$ 6,800,000)

61. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the fully-developed project document, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) To approve the funding of US\$ 6,800,000 for the implementation of the project, as requested by WMO; and
- (c) To request the secretariat to draft an agreement with WMO as the Multilateral Implementing Entity for the project.

(Decision B.29/27)

e) *Intersessional review of project formulation assistance grant proposals under the readiness programme*

62. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) That Project Formulation Assistance (PFA) grants of up to US\$ 20,000 for each project, could be provided for accredited national implementing entities (NIEs) seeking project formulation assistance, on the understanding that the amount is inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount, and that if an NIE has initially sought, and been granted less than the maximum amount, it is precluded from later seeking the difference between the amount that had been granted and the maximum grant of US\$ 20,000;
- (b) That PFA grants will only be made available for projects submitted through accredited NIEs for projects going through the two-step project approval process, and can only be awarded when a project concept is presented and endorsed by the Board. A request for a PFA grant should be made at the same time as the submission of a project concept to the

secretariat using the PFA grant application form contained in Annex I of document AFB/PPRC.20/29;

(c) To request the secretariat to review PFA Grant proposals for submission at regular meetings of the Board, and during an intersessional period of more than 24 weeks between two consecutive Board meetings; and

(d) That once a PFA grant is disbursed, a fully-developed project document should be submitted to the Board for approval within 12 months.

(Decision B.29/28)

f) *Post-implementation learning and impact evaluation*

63. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To request the secretariat:

(i) To undertake a revised analysis of the implications of options one and three for the ex-post assessment or evaluations of completed projects/programmes, as contained in document AFB/PPRC.20/30, taking into account:

a. The cost-effectiveness of the two options; and

b. The discussions during the twentieth and twenty-first meetings of the Ethics and Finance Committee on the evaluation function of the Adaptation Fund; and

(ii) To present the revised analysis to the Project and Programme Review Committee for its consideration at its twenty-second meeting.

(Decision B.29/29)

Agenda Item 9: Report of twentieth meeting of the Ethics and Finance Committee

64. Ms. Patience Dampney (Ghana, Non-Annex I Parties), Chair of the EFC, presented the report of the EFC (AFB/EFC.20/9).

65. During the presentation of the sub-item on material changes in projects funded by the Fund, it was noted that the EFC had recommended that the secretariat be informed of changes in project activities or associated indicators or targets, and it was suggested that the designated authority should be informed as well.

66. Based on the recommendations of the EFC and the proposal made during the presentation of the report, the Board approved the following decisions on the matters considered by the EFC at its twentieth meeting.

a) *Options for an evaluation function and cost implications*

67. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC) regarding the two options for the evaluation function of the Adaptation Fund proposed in document AFB/EFC.20/3, the Adaptation Fund Board decided:

- (a) To request the secretariat to prepare, for consideration by the Ethics and Finance Committee at its twenty-first meeting, a document containing, for each of the two options, additional information on:
 - (i) An indicative three-year work program, including estimated costs, for the evaluation function based on the foreseen workload, including the expected numbers of medium-term and final evaluations and other evaluations to be carried out; and
 - (ii) How the necessary technical expert guidance and inputs would be arranged at the set-up stage of the function and during its implementation, including possible assistance provided by the Global Environment Fund Independent Evaluation Office (GEF-IEO), should Option 2 be selected, or by a Technical Evaluation Reference Group, should Option 1 be selected.

(Decision B.29/30)

b) Material change in projects funded by the Fund

68. Having considered the comments and recommendation of the Ethics and Finance Committee regarding the proposal set out in document AFB/EFC.20/4, the Adaptation Fund Board decided:

- (a) To further define a material change as “any cumulative total budget change at output-level between the revised budget and the original budget that involves ten per cent (10%) or more of the total budget of the project/programme”;
- (b) To request implementing entities wishing to submit a request for a material change to do so through the secretariat prior to the implementation of the change described in the request;
- (c) To specify that such requests for a material change should include at least a revised budget at output-level with comparison to the original, a revised results framework with comparison to the original, a written clarification on the material change itself and the reasons for the material change, and a letter from the designated authority endorsing the material change; and
- (d) To recall that the existing caps on an implementing entity’s fees and execution costs shall apply and shall not be exceeded due to budget changes.

(Decision B.29/31)

69. Having considered the comments and recommendation of the Ethics and Finance Committee with respect to the information contained in document AFB/EFC.20/4 with respect to requests for revision of the original target indicators for activities, outputs or outcomes, the Adaptation Fund Board (the Board) decided:

- (a) For changes in project activities or associated indicators or targets, including introductions, modifications and deletions, to request the implementing entities to inform the secretariat and the designated authority of such changes as soon as possible;

- (b) For changes in project outputs, including introductions, modifications and deletions, to request the implementing entities:
- (i) To obtain prior approval from the Board;
 - (ii) To communicate such changes to the secretariat; and
 - (iii) To submit a letter from the designated authority endorsing such changes to the secretariat, in order to obtain such approval;
- (c) For changes in project outcomes, including introductions, modifications and deletions, on the understanding that such changes would only be accepted in exceptional circumstances, to request the implementing entities:
- (i) To obtain prior approval from the Board following a full technical review of the revised fully-developed project/programme document by the Project and Programme Review Committee;
 - (ii) To communicate such changes to the secretariat; and
 - (iii) To submit a letter from the designated authority endorsing such changes to the secretariat, for the purposes of such technical review and approval; and
- (d) For changes in project output or outcome indicators and/or associated targets, including modifications and deletions, on the understanding that such changes would only be accepted in exceptional circumstances and up to the submission of the first Project Performance Report for the project/programme, to request the implementing entities:
- (i) To obtain prior approval from the Board following a full technical review of the revised fully-developed project/programme document by the Project and Programme Review Committee;
 - (ii) To communicate such changes to the secretariat; and
 - (iii) To submit a letter from the designated authority endorsing such changes to the secretariat, for the purposes of such technical review and approval.

(Decision B.29/32)

70. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC) with respect to the information contained in document AFB/EFC.20/4, the Adaptation Fund Board decided:

- (a) To request the secretariat:
- (i) To consolidate all previous decisions related to requests for direct project services, requests for material change, and requests for revision of original activity/output/outcome and/or associated indicators and targets into a new annex to the Operational Policies and Guidelines related to project/programme implementation; and
 - (ii) To present the new annex to the EFC at its twenty-first meeting.

(Decision B.29/33)

71. Having considered the comments and recommendation of the Ethics and Finance Committee with respect to the information contained in document AFB/EFC.20/4, the Adaptation Fund Board (the Board) decided to amend the standard legal agreement between the Board and implementing entities as follows (see underlined section):

4.03. Any material change made in the original budget allocation for the Project by the Implementing Entity, in consultation with the Executing Entity, shall be communicated to the Board for its approval and shall be made in conformity with the Operational Policies and Guidelines of the Fund. "Material change" shall mean any cumulative total budget change at output-level between the revised budget and the original budget that involves ten per cent (10%) or more of the total budget of the project/programme.

(Decision B.29/34)

c) *Financial issues*

Investment income

72. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC) with respect to the analysis contained in document AFB/EFC.20/5, the Adaptation Fund Board decided:

- (a) To request the secretariat:
 - (i) To compile a comprehensive analysis after following up with the implementing entities that did not respond to the survey launched pursuant to Decision B.29/42; and
 - (ii) To prepare, in consultation with the trustee, a recommendation on an approach for dealing with investment income generated by the implementing entities on amounts held in respect of project grants, to be presented to the EFC at its twenty-first meeting.

(Decision B.29/35)

Work plan for the fiscal year 2018

73. Having considered the comments and recommendation of the Ethics and Finance Committee, the Adaptation Fund Board (the Board) decided:

- (a) To approve the draft secretariat work schedule and the proposed work plan for the Readiness Programme for fiscal year 2018, as contained in AFB/EFC.20/7; and
- (b) To approve the readiness budget increase of US\$ 239,794 to be 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.

(Decision B.29/36)

Board and secretariat and trustee budgets for the fiscal year 2018

74. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC) with respect to the information contained in document AFB/EFC.20/8, the Adaptation Fund Board (the Board) decided:

- (a) To approve the proposed budget of US\$ 4,991,415 to cover the costs of the operations of the Board and secretariat over the period 1 July 2017 to 30 June 2018, comprising US\$ 3,613,050 for the secretariat administrative services (the main secretariat budget), US\$ 300,000 for the overall evaluation (Phase II), US\$ 473,780 for accreditation services and US\$ 604,585 for the Readiness Programme;
- (b) To approve the proposed budget of US\$ 588,000 for trustee services to be provided to the Adaptation Fund over the period 1 July 2017 to 30 June 2018, and, as a cost-saving measure, approve an indefinite suspension of the preparation of annual externally audited financial statements, relying instead on the annual Single Audit of Trust Funds and financial reports on the status of the Adaptation Fund Trust Fund provided periodically by the World Bank as Adaptation Fund Trustee;
- (c) To authorize the trustee to transfer the amounts in sub-paragraph (a) to the secretariat, and the amount in sub-paragraph (b) to the trustee; and
- (d) To request the secretariat to assess the option of further development of the FIF (Financial Intermediary Fund) collaboration platform and to prepare a recommendation for consideration by the EFC at its twenty-first meeting.

(Decision B.29/37)

d) Constitution of the Independent Review Panel for the second phase of the overall evaluation of the Fund

75. Having considered the comments and recommendation of the Ethics and Finance Committee with respect to the information contained in document AFB/EFC.20/ Inf.1, the Adaptation Fund Board decided:

- (a) To appoint Ms. Eva Lithman as the lead evaluation expert, Mr. Ian Noble as the adaptation expert, and Ms. Doreen Stabinsky as the civil society representative of the independent review panel (IRP) for the second phase of the overall evaluation of the Adaptation Fund; and
- (b) To request the secretariat to provide the IRP with the necessary support to carry out its work.

(Decision B.29/38)

Agenda Item 10: Issues remaining from the twenty-eighth meeting

a) Medium-term strategy for the Fund

76. The Board considered the medium-term strategy for the Fund (AFB/B.29/5 and AFB/B.29/5/Add.1) in closed session, during which it heard a presentation by the consultant who had prepared document AFB/B.29/5/Add.1.

77. Having considered document AFB/B.29/5 and the confidential addendum AFB/B.29/5/Add.1, the Adaptation Fund Board (the Board) decided:

- (a) To request the secretariat:
 - (i) To draft the medium-term strategy, under supervision and guidance of the Task Force on the medium-term strategy;
 - (ii) To publish the draft medium-term strategy for public consultation purposes; and
 - (iii) To present a new version of the draft medium-term strategy for consideration by the Board at its thirtieth meeting.

(Decision B.29/39)

b) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund

78. Introducing the sub-item, the representative of the secretariat recalled that the Board had first considered the matter at its twenty-fourth meeting, and had subsequently considered a series of documents prepared by the secretariat and discussed the matter at its twenty-fifth, twenty-sixth, twenty-seventh and twenty-eighth meetings. At its last meeting, the Board had agreed to pursue a two-track approach whereby the Chair, Vice-Chair and secretariat would continue a dialogue with their GCF counterparts and the secretariat would further investigate the legal, operational and financial issues surrounding linkages with the GCF. In response to decision B.28/45, the secretariat, in consultation with the trustee, had prepared document AFB/B.29/6 updating document AFB/B.26/5 containing further legal, operational and financial analysis on the implications of various linkages with the GCF.

79. Cautioning that the matter was highly complex, the representative of the secretariat went on to explain the secretariat's updated analysis as contained in the document.

80. A discussion ensued. During the discussion, at the invitation of the Chair, a representative of the GCF Secretariat provided some clarifications in response to questions and comments from Board members. Addressing a question of whether funds from the GCF had to be earmarked for a specific project, he explained that while the degree of flexibility varied depending on how an institution was accredited, the use of funds was dictated by the approved funding proposal. Clarifying another point, he confirmed that the GCF disbursed both grants and loans. Addressing concerns regarding opportunities for dialogue between the boards of the Adaptation Fund and the GCF, he noted that the agenda for the GCF Board meeting in early July included an item on an annual dialogue with climate finance delivery channels, in which the Adaptation Fund, as well as the Climate Investment Funds (CIFs), the GEF, the World Bank and other invited organizations, would be invited to participate. Finally, regarding complementarity and coherence between the secretariats and the funds, he noted that the GCF Board had been instructed by the COP to develop a framework for complementarity and coherence not only with the GEF, as the other operating entity of the financial mechanism, but also with other climate finance delivery channels. The GCF Secretariat had presented options to the GCF Board regarding, *inter alia*, board-to-board arrangements, delivery at the national level, and delivery at the project level. It was also working with other secretariats to find synergies in areas of overlap, such as accredited entities or country programming, with the goal of compiling best practices for cooperation. In this context of coherence and complementarity, one

member pointed to a recent report by the World Resource Institute “Future of the Funds: Exploring the Architecture of Multilateral Climate Finance”¹.

81. Overall, the discussion indicated a strong will among Board members to move forward with the process of establishing links with the GCF. There was considerable support for approaching the GCF on a more formal basis than in the past, including some support for the negotiation of a memorandum of understanding so that the Fund could retain its independence. There was concern that the proposed dialogue on the agenda for the GCF Board meeting in July, even if it took place, would be too general a forum for the desired discussion, as other climate finance entities were also invited. It was therefore suggested that a prior meeting be requested. It was also suggested that the Board seek a clear mandate from the CMP to begin negotiations with the GCF. In that regard, a representative of the secretariat informed the Board members that the Board’s report to the CMP had to be submitted by late August, well ahead of the next Board meeting, although it could be complemented by an annex submitted later to capture any additional aspects.

82. Having considered document AFB/B.29/6 and the update provided by the secretariat, the Adaptation Fund Board decided:

(a) Based on decision B.28/45 and in accordance with paragraphs 33 and 34 of the Governing Instrument for the Green Climate Fund (GCF), to request the Chair and Vice-Chair, assisted by the secretariat:

(i) To write an official letter to the Co-Chairs of the GCF summarizing the Board discussions related to the operational linkages with the GCF, conveying the Board’s willingness to actively engage in structured conversation with the GCF Board with a view to exploring concrete steps to enhance complementarity and coherence between the Adaptation Fund and the GCF, and requesting a bilateral meeting between the Chair and Vice-Chair of the Adaptation Fund and the Co-Chairs of the GCF during the forty-sixth session of the Subsidiary Bodies to the United Nations Framework Convention on Climate Change, in May 2017, in Bonn, Germany; and

(ii) To attend ‘an annual dialogue’ to be initiated by the GCF at the seventeenth meeting of the GCF Board in July 2017 in order to enhance complementarity;

(b) To request the secretariat:

(i) To continue discussing the concrete activities in the area of complementarity and coherence identified by the Board in decision B.25/26 with the GCF Secretariat; and

(ii) In consultation with the trustee, to prepare an assessment of practical solutions for linkages between the Adaptation Fund and the GCF and present it to the Board for consideration at its thirtieth meeting; and

(c) To request the Chair and the secretariat to report to the Board at its thirtieth meeting on the progress made in the activities described in sub-paragraphs (a) and (b).

(Decision B.29/40)

¹ <http://www.wri.org/publication/future-of-the-funds>

c) *Resource mobilization action plan*

83. The Board considered the resource mobilization action plan (AFB/B.29/7) in closed session.

84. Having considered document AFB/B.29/7 and the confidential addendum AFB/B.29/7/Add.1, the Adaptation Fund Board decided:

(a) To approve the resource mobilization action plan for 2017-2018 contained in document AFB/B.29/7/Add.1;

(b) To request the secretariat:

(i) To edit, in consultation with the Resource Mobilization Task Force, the Resource Mobilization Strategy for public disclosure and publish it intersessionally;

(ii) To implement the action plan, under the supervision and guidance of the Resource Mobilization Task Force, and

(iii) To report to the Board annually on the implementation of the action plan.

(Decision B.29/41)

Agenda Item 11: Implementation of the Readiness Programme

85. The representative of the secretariat introduced the proposed framework for the readiness programme, as more fully described in document AFB/B.29/8.

86. In response to questions regarding how many entities had accessed accreditation support and how many had been accredited, the representative of the secretariat said that there were currently 25 accredited NIEs, and that, since the launch of the readiness programme, the secretariat had held a regional workshop in each of the five geographical regions of the United Nations. It had also reached out to all 118 designated authorities of the Adaption Fund, and the majority of developing countries had participated in at least one of the workshops. In response to a question about synergies and linkages with the GCF, he said that in recent years the GCF had participated for instance in an Adaptation Fund regional readiness workshop co-hosted with the Heinrich Boell Foundation and the Economic Community Of West African States (ECOWAS) and that the secretariat would continue to cooperate with the GCF secretariat and with civil society to provide capacity building support for both accredited NIEs and those seeking accreditation.

87. It was pointed out that, although the secretariat had presented a good plan that showed the value of the readiness programme, there were many potential synergies to be found with the activities of other funds, such as the GCF and the GEF, which would make it easier for countries to understand and access climate finance and could help when directing support to countries seeking accreditation. It was also observed that, given the small amounts involved, it was important not to overburden entities with additional reporting requirements. The outputs of the readiness programme would be seen in the projects being prepared and the entities accredited, and the success of the readiness programme could therefore perhaps be captured through surveys or other interactions with the stakeholders.

88. Concern was also expressed at the need to modify the legal agreements between the Board and the implementing entities and the project documents. The formats and requirements for Board documents were constantly being modified at a time when the processes were not entirely

understood by all the countries. Although it was important to make those changes when circumstances changed, the secretariat was urged to carefully consider whether changes were really needed.

89. In response to the issue of additional reporting requirements for implementing entities, the representative from the secretariat said that this had been an important issue taken into consideration in designing the reporting requirements. To avoid a cumbersome reporting process, the secretariat had simplified the reporting requirements for projects implemented through readiness grants. In response to a question on whether difficulty in understanding the guidelines and templates of the Fund had caused any delay in the accreditation of entities or the approval of projects, the Interim Manager of the secretariat said that the question of the templates and guidelines being used went beyond consideration of the readiness programme and related to the operational accessibility of the Fund. In the experience of the secretariat, the templates and guidelines were not difficult to understand; rather, delays related to lack of time to develop the projects and the specific circumstances of the countries concerned. There had been no complaints about the format of the documents.

90. The Chair said that the Fund needed to have lean processes and a light reporting burden but still needed to ensure that it approved good proposals and that its fiduciary standards were followed. That said, it might be helpful to give more guidance on drafting of proposals. Furthermore, the PPRC had discussed the possibility of limiting the length of proposals, which would make it easier to both file an application and review it.

91. The Adaptation Fund Board (the Board) decided:

(a) To approve the framework for the Readiness Programme as contained in document AFB/B.29/8;

(b) To request the secretariat:

(i) To implement further steps to integrate the Readiness Programme into the Adaptation Fund's operations, policies and guidelines, strategies, work plan and budget;

(ii) To update the Adaptation Fund Operational Policies and Guidelines to include procedures for review and approval of projects under the Readiness Programme for consideration by the Board at its thirtieth meeting;

(iii) To update the results framework of the Readiness Programme to align with the Adaptation Fund medium term strategy when complete;

(iv) To update the results framework of the Readiness Programme in line with the Adaptation Fund Results-Based Management System (RBM) and knowledge management strategy for consideration by the Board at its thirtieth meeting. This includes updating the Adaptation Fund's project performance report (PPR) template to enable national implementing entities to capture and evaluate their experience and lessons learnt from using readiness grants and the resulting added benefits of the grants for the implementing entities to achieve desired outcomes or results from regular projects/programmes of the Adaptation Fund;

(v) To update the standard legal agreement for readiness grants for consideration by the Board intersessionally between its twenty-ninth and thirtieth meetings;

(vi) To update the Adaptation Fund policy for project/programme delays to include provisions for procedural issues related to project start, submission of performance and evaluation reports, and requests for project extension under the Readiness Programme for consideration by the Board intersessionally between its twenty-ninth and thirtieth meetings;

(vii) To communicate to implementing entities that they should send a notification of project start, notification of project completion, and a report to the secretariat on monitoring and evaluation of projects under the Readiness Programme using the templates annexed in document AFB/B.29/8; and

(viii) To proceed with the implementation of the Readiness Programme in accordance with the approved framework.

(Decision B.29/42)

Agenda Item 12: Issues arising from the twenty-second session of the Conference of the Parties Issues arising from the twenty-second session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 22), the twelfth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 12), and the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1).

92. The Interim Manager of the secretariat presented document AFB/B.29/Inf.8, which reviewed the main decisions affecting the Adaptation Fund taken at the Marrakech Climate Change Conference: decisions 1/CP.22, 1/CMA.1, 1/CMP.12 and 2/CMP.12.

93. The Chair said that the Board had much to do following those decisions. The next report to the CMP would be prepared intersessionally and would report on, *inter alia*, the Fund's financial status, linkages with the GCF and resource mobilization efforts.

94. It was noted that the technical paper on the third review of the Adaptation Fund, to be prepared by the UNFCCC secretariat in collaboration with the Fund secretariat, would not be circulated to the Board, and it was suggested that it would be useful to include some of the information from the first evaluation of the Fund.

95. In response to a question about the content of the technical paper, the representative of the UNFCCC secretariat said that the Parties and other interested stakeholders had been invited to provide submissions on the terms of reference for the review of the Fund, which could also offer an opportunity for Parties to make suggestions with respect to the technical paper. She also confirmed that the UNFCCC secretariat had no mandate to share the technical paper with the Adaptation Fund Board.

96. In response to a question about the role of the Adaptation Committee, the Interim Manager of the secretariat said that the secretariat had participated in several meetings of the Adaptation Committee as an observer, had participated in the annual Adaptation Forum and was present on the national adaptation plan task force. The Adaptation Committee had a broad mandate to ensure collaboration between different adaptation-related bodies and mapped the different mandates of those bodies annually. The main input of the Adaptation Fund had been on adaptation finance and access modalities enabled by the Adaptation Fund, such as direct access.

97. It was also pointed out that paragraphs 14 and 15 of decision 1/CP.22 requested the Ad Hoc Working Group on the Paris Agreement to address the governance and institutional arrangements, safeguards and operating modalities of the Adaptation Fund to serve the Paris Agreement and invited Parties to submit their views in that regard. In response to a query as to whether any views had been received, the Interim Manager of the secretariat said that any view received would be shared through the UNFCCC system.

98. The Board took note of the report.

Agenda Item 13: Communications and outreach

99. The representative of the secretariat reported on the secretariat's communication activities since the previous Board meeting, as well as some programmes planned for the coming year. He began by explaining that the communications strategy reflected a three-tiered, coordinated approach comprising website content, social media, and outreach. The website content served as a base, with a steady stream of new content to keep readers informed and support an active web and search presence. Stories generated for the website content were then shared on social media. Outreach, which consisted of such things as events, poster displays, handouts, and e-news mailings, also generated news that could be shared through the other two channels. A synergy is created between the three tiers so that all three are working together in concert.

100. During the intersessional period, new website content had consisted of: 15 news releases; three project beneficiary stories translated into three languages; five videos, including two on water and gender for the Marrakech conference; an updated overview of the Fund and; direct access flyers in three languages; targeted briefing notes on various themes; micro-websites for the Marrakech conference; and photo essays. According to statistics, page views had increased by 17 per cent and the number of unique visitors was 30 per cent higher over the same period last year, indicating steady growth.

101. On the social media side, the strategy aimed for more aggressive, targeted, frequent and engaging posts highlighting the Fund's projects and the urgency of addressing climate change. It also sought to position the Fund as an innovator and thought leader in adaptation and climate finance. The use of imagery in posts had been key. Social media activity had also increased during the period; the number of Twitter followers, for instance, was expected to soon reach 7,000, a notable milestone that enhanced the Fund's credibility. Activity on Twitter and Facebook had increased considerably during the Marrakech conference. In addition, a study had ranked the Adaptation Fund ninth among the top 100 influencers and brands talking about "climate action" on Twitter, ahead of several well-known organizations such as the GEF, Greenpeace and Conservation International.

102. Outreach activities during the period had included the creation of posters, print materials, and logo products for events and displays, preparation of targeted media talking points and speeches for events, coordination of press interviews, updating of email distribution lists, and support for workshops, side events and other high profile appearances. Outreach elements specific to the Marrakech conference had included: a dedicated micro-website covering all the Fund's activities related to the meeting, which has received many views and unique visitors; a multimedia exhibit with large project photos and two videos on gender and water that ran throughout the conference and were republished on social media by major climate organizations like UNFCCC; a steady stream of web news releases social media posts and photos generated throughout the meeting to keep people informed of the Fund's activities and progress, and a family/community agriculture side event, the Fund's first themed event at a COP meeting, which was well-received. It was worth noting that publishing the Fund's goals ahead of the meeting, including the US\$ 80 million fundraising goal and the Fund's goals in relation to the Paris Agreement, proved to be very effective in generating interest.

The secretariat also earned the highest 'Green' sustainability rating from the UNFCCC for the second year in a row for its efforts of being paperless at its side event and exhibit during COP22.

103. Statistics showed that the Fund had been the subject of 50 media stories from October to December 2016, 98 per cent of which were positive, with "direct access", "innovation" and "success of adaptation projects" among the key words most often used in those stories.

104. Looking ahead to upcoming events, the representative of the secretariat informed the Board that a side event would be held during the Bonn Climate Change Conference in May 2017, and provided an overview of the proposed celebrations to mark the Fund's 10th anniversary in November 2017 which will include a web and print publication and special event to commemorate the Fund's achievements over the past 10 years.

105. Following his presentation, the representative of the secretariat responded to questions from the Board members. Addressing a question regarding communications activities undertaken with implementing agencies in the field, he indicated that the team worked closely with the readiness programme to promote its workshops and activities, and with NIEs to produce project stories and videos. Another representative of the secretariat responded to a query regarding the total communications budget for 2018, saying that both the main secretariat budget and the readiness programme budget had communications components; the main secretariat budget covered the engagement of short-term consultants to implement the communications strategy, regular publications and news, digital channels and the events and publication for the Fund's 10th anniversary celebrations, while the readiness programme budget covered publications and activities for the readiness programme. Finally, it was noted that flyers and project stories were published in French, English and Spanish, and that stories in the language of NIEs and beneficiaries received a noticeably higher number of views.

106. The Adaptation Fund Board took note of the presentation on communications and outreach.

Agenda Item 14: Financial status of the Trust Fund and CER monetization

107. The representative of the trustee provided an update on the financial status of the Adaptation Fund Trust Fund and monetization of Certified Emission Reductions (CERs), as contained in documents AFB/EFC.20/6 (Adaptation Fund Trust Fund: Financial report prepared by the trustee) and AFB/B.29/Inf.4 (Trustee presentation: update on status of resources and CER monetization). He was joined briefly by another representative of the trustee, who joined the meeting via Skype to provide an overview of recent trading in Certified Emission Reductions (CERs).

108. Since inception, total revenue to the Adaptation Fund had amounted to US\$ 631.9 million, including US\$ 197.1 million from CER sales, US\$ 422.8 million from donations, and US\$ 7.0 million from investment income generated by the trustee. Funds available for new project and programme approvals had increased to US\$ 234.4 million as at the end of December due to US\$ 85 million in additional donations received. Since the twenty-eighth meeting of the Board, donation agreements had been signed with Brussels Capital Region (EUR 2.50 million), Flanders (EUR 6.25 million), Germany (EUR 50 million), and Sweden (SEK 200 million).

109. Opportunistic CER sales continued at a modest pace, notwithstanding continued oversupply in the markets and very weak demand from buyers. The average price achieved for CERs by the trustee was US\$ 1.75 to date in fiscal year 2017, significantly above prevailing market prices of approximately EUR 0.30.

110. The representative of the trustee also informed the Board that the trustee was going through the required internal procedures following up on the decision by the Board and CMP to extend the trustee's mandate upon expiry at the end of May 2017.

111. The Adaptation Fund Board took note of the trustee's report.

Agenda Item 15: Dialogue with civil society organisations

112. The report of the dialogue with civil society is contained in **Annex IV** to the present report.

Agenda Item 16: Date and venue of meetings in 2017 and onward

113. At the invitation of the Chair, the representative of the secretariat recalled that at its twenty-seventh meeting, the Board had decided to hold its thirtieth meeting from 10 to 13 October 2017 in Bonn, Germany.

114. The Adaptation Fund Board decided:

- (a) To hold its thirty-first meeting from 20 to 23 March 2018 in Bonn, Germany; and
- (b) To hold its thirty-second meeting from 9 to 12 October 2018 in Bonn, Germany.

(Decision B.29/43)

Agenda Item 17: Implementation of the code of conduct

115. The Chair drew attention to the code of conduct posted on the Fund website. No matters were raised.

Agenda Item 18: Other matters

a) Recruitment of the new Manager of the Adaptation Fund Board Secretariat

116. The meeting went into a closed session to permit discussion among the Board members and alternates regarding the recruitment process for the new Manager of the secretariat, initiated in September 2016. After short-listing candidates and holding two interview sessions, the interview panel had referred the final selection of the Manager to the Adaptation Fund Board.

117. The Adaptation Fund Board decided to select Mr. Mikko Ollikainen as Manager of the Adaptation Fund Board Secretariat.

(Decision B.29/44)

118. The Chair pointed out that the Board strongly supported the selection of Mr. Ollikainen and looked forward to working with him in his new function.

b) Dialogue with Ms. Naoko Ishii, Head of the Adaptation Fund Board Secretariat and CEO and Chairperson of the Global Environment Facility (GEF)

119. The Chair invited Ms. Naoko Ishii, Head of the Adaptation Fund Board Secretariat and CEO and Chairperson of the Global Environment Facility (GEF), to address the Board.

120. Ms. Ishii began her remarks by applauding the significant progress made by the Fund in the year since her last visit, particularly given the acknowledgement that the Fund “should” serve the Paris Agreement and the achievement of the resource mobilization target of US\$ 80 million in Marrakech. With its portfolio of US\$ 358 million, which was substantial, and the upcoming celebration of its tenth anniversary, it was a good moment for the Board to consider what kind of future could be shaped for the Fund in conjunction with the GEF, particularly in light of the Board’s consideration of the medium-term strategy for the Fund at the current meeting.

121. She then took the opportunity to outline the new approach being proposed by the GEF for its upcoming seventh replenishment (GEF-7). It was a critical time: resources were limited and the challenges were getting bigger. Consequently, the GEF was proposing to move away from a business-as-usual approach, to be more selective in project support, and to try a new delivery model aimed at addressing the fundamental economic drivers of environmental degradation. Taking into account the GEF’s cross-cutting mandate covering not just climate change but also biodiversity, land degradation, international waters, and chemicals and waste, GEF-7 would be focused on making a difference in 15 impact programmes that included transforming energy systems, landscape restoration, food systems, environmental security, sustainable cities; green finance; green infrastructure and sustainable fisheries.

122. Recognizing that being selective in project approvals carried the risk of undermining country ownership, the GEF had performed a demand assessment before defining its 15 impact programmes, studying documents like Nationally Determined Contributions (NDCs) and National Biodiversity Action Plans to see what countries were looking for. Furthermore, regardless of country demand, some important programmes with multi-stakeholder coalitions could not take place without some kind of leadership; it was important to involve government, the business sector and civil society in the creation of regional and global multi-stakeholder platforms that countries could then jump into. The 15 impact programmes focused on already-emerging platforms that the GEF was simply proposing to string together using its resources, inviting countries to play their part.

123. Following her initial remarks, Ms. Ishii addressed a number of questions and comments from Board members.

124. On the topic of involving the business sector, she indicated that one reason for proposing a new way of doing business was that the business-as-usual model was not conducive to bringing the business sector and civil society organizations into the process. The current approach of allocating money to an individual country through a convention, by focal area, and sometimes through an agency limited funding amounts and precluded opportunities for a broader, upstream multi-stakeholder approach. The idea was therefore to create or join multi-stakeholder platforms so as to work together with the private sector and civil society organizations upstream; two good examples of such platforms were the Bonn Challenge and C40 cities. With several competing funds in the climate finance space, however, it was important for each fund to identify its own unique advantage and goals.

125. On the subject of co-financing, Ms Ishii suggested that impact was more important than co-financing itself. Programmes were designed to have different impacts, and various forces could be harnessed to achieve them such as capital markets and government. Setting a single target for co-financing was therefore strange, she said, particularly as there were different ways to calculate leverage. She gave the example of the fund set up recently to protect forests, with contributions of US\$ 2 million from the GEF, US\$ 25 million from Unilever and US\$ 100 million from the Government

of Norway. Given that the intention was to turn to the capital markets to leverage private sector money, how should the co-financing element be calculated? Furthermore, it would be very difficult to obtain private sector funding for a project with the same impact in the Amazon region, yet such a project might be very important. Each project had its own parameters, and a single co-financing target for all projects might therefore not be appropriate. Nevertheless, co-financing was important to donors, who used it to gain political support, and the GEF remained sensitive to that consideration.

126. In her responses, Ms. Ishii also provided a number of clarifications regarding the new programmes being proposed by the GEF. The programmes represented a shift away from working in siloes toward a more cross-cutting approach, the idea being to get countries to think about how they can deploy the resources allocated to them to produce cross-cutting benefits. The change presented a huge challenge given how accustomed everyone was to working in silos.

127. Addressing the claim that the private sector was not really interested in adaptation as opposed to mitigation, Ms. Ishii noted that at the World Economic Forum Annual Meeting held in Davos in January 2017, for first time, all five environmental risks rated high in terms of likelihood and impact. Environmental risk therefore dominated the risk perception of business, in stark contrast to 10 years ago, when the major risks were economic and geopolitical. At the same time, in Davos, the World Business Council for Sustainable Development issued a report stating that the Sustainable Development Goals represented a historic opportunity for business, with potential for at least US\$ 12 trillion per year in the sectors of energy, cities, food and agriculture, and health and well-being.

128. She also noted a comment regarding a new report by the World Resources Institute entitled *The Future of the Funds: Exploring the Architecture of Multilateral Climate Finance*, agreeing that it could be a source of good input on the future of climate finance.

129. Ms. Ishii closed her remarks with some thoughts on opportunities for cooperation between the GEF and the Adaptation Fund, saying that the GEF's more comprehensive stance on sustainability would allow it to cover many resiliency issues in its programming, which she saw as an opportunity to work together. It was also important to innovate and to challenge the status quo; the two entities should challenge each other to be both innovative and bold.

130. The Chair thanked Ms. Ishii for her contribution to the meeting.

Agenda Item 19: Adoption of the report

131. The present report was adopted intersessionally by the Board following its twenty-ninth meeting.

Agenda Item 20: Closure of the meeting

132. The Chair declared the meeting closed at 5:35 p.m. on 17 March 2017.

ANNEX I

ATTENDANCE AT THE TWENTY-NINTH MEETING OF THE ADAPTATION FUND BOARD

| MEMBERS | | |
|--------------------------------|--------------------|-----------------------------------|
| Name | Country | Constituency |
| Mr. Ibila Djibril | Benin | Africa |
| Mr. Albara E. Tawfiq | Saudi Arabia | Asia-Pacific |
| Mr. Mirza Shawkat Ali | Bangladesh | Asia-Pacific |
| Ms. Monika Antosik | Poland | Eastern Europe |
| Mr. Aram Ter-Zakaryan | Armenia | Eastern Europe |
| Mr. Lucas Di Pietro Paolo | Argentina | Latin America and the Caribbean |
| Mr. Victor Viñas | Dominican Republic | Latin America and the Caribbean |
| Mr. Antonio Navarra | Italy | Western European and Others Group |
| Mr. Michael Jan Hendrik Kracht | Germany | Annex I Parties |
| Ms. Tove Zetterström-Goldmann | Sweden | Annex I Parties |
| Ms. Patience Dampsey | Ghana | Non-Annex I Parties |
| Mr. Naresh Sharma | Nepal | Least Developed Countries |
| Mr. Samuela Lagataki | Fiji | Small Island Developing States |

| ALTERNATES | | |
|------------------------------|----------------|-----------------------------------|
| Name | Country | Constituency |
| Mr. Mohamed Zmerli | Tunisia | Africa |
| Mr. Ahmed Waheed | Maldives | Asia-Pacific |
| Mr. Naser Moghaddasi | Iran | Asia-Pacific |
| Ms. Ardiana Sokoli | Albania | Eastern Europe |
| Ms. Umayra Taghiyeva | Azerbaijan | Eastern Europe |
| Ms. Yadira González Columbié | Cuba | Latin America and the Caribbean |
| Mr. Philip Weech | Barbados | Latin America and the Caribbean |
| Ms. Sylviane Bilgischer | Belgium | Western European and Others Group |
| Mr. Marc-Antoine Martin | France | Annex I Parties |
| Ms. Aida Velasco Munguira | Spain | Annex I Parties |
| Ms. Margarita Caso Chavez | Mexico | Non-Annex I Parties |
| Mr. Chebet Maikut | Uganda | Least Developed Countries |

ANNEX II**ADOPTED AGENDA OF THE TWENTY-NINTH MEETING OF THE ADAPTATION FUND BOARD**

1. Opening of the meeting.
2. Election of outstanding officers.
3. Transition of the Chair and the Vice-Chair.
4. Organizational matters:
 - a) Adoption of the agenda
 - b) Organization of work.
5. Report on activities of the outgoing Chair.
6. Report on activities of the secretariat.
7. Report of the Accreditation Panel.
8. Report of the twentieth meeting of the Project and Programme Review Committee (PPRC) on:
 - a) Funding for proposals under the pilot programme for regional activities
 - b) Overview of project/programme proposals received
 - c) Issues identified during project/programme review
 - d) Project/programme proposals
 - e) Review of readiness grants
 - f) Post-implementation learning and impact evaluation
 - g) Full cost of adaptation reasoning.
9. Report of the twentieth meeting of the Ethics and Finance Committee (EFC) on:
 - a) Options for an Evaluation Function and Cost Implications
 - b) Material changes in projects funded by the Fund
 - c) Financial issues
 - d) Constitution of the Independent Review Panel for the second phase of the overall evaluation of the Fund
10. Issues remaining from the twenty-eighth meeting:

- a) Medium-term strategy for the Fund
 - b) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund
 - c) Resource mobilization action plan.
11. Implementation of the readiness programme.
 12. Issues arising from the twenty-second session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 22), the twelfth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 12), and the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1).
 13. Communications and outreach.
 14. Financial issues:
 - (a) Financial status of the trust fund and CER monetization.
 15. Dialogue with civil society organizations.
 16. Implementation of the code of conduct.
 17. Date and venue of meetings in 2017 and onwards.
 18. Other matters.
 - a. Recruitment of the new Manager of the Adaptation Fund Board Secretariat
 - b. Dialogue with Ms. Naoko Ishii, Head of the Adaptation Fund Board Secretariat and CEO and Chairperson of the Global Environment Facility (GEF)
 19. Adoption of the report.
 20. Closure of the meeting.

ANNEX III

APPROVED BOARD AND SECRETARIAT AND TRUSTEE BUDGETS FOR THE FISCAL YEAR 2018

| All amounts in US\$ | | Approved FY17 | Estimate FY17 | Approved FY18 |
|--|----------------------------------|------------------|------------------|------------------|
| BOARD AND SECRETARIAT | | | | |
| 1 | Personnel | 1,893,247 | 1,703,780 | 2,581,250 |
| 2 | Travel | 480,000 | 410,000 | 402,000 |
| 3 | General operations | 306,090 | 294,000 | 375,000 |
| 4 | Meetings | 363,000 | 285,000 | 254,800 |
| Sub-total secretariat administrative services (a) | | 3,042,337 | 2,692,780 | 3,613,050 |
| 5 | Overall evaluation (b) | 400,000 | 100,000 | 300,000 |
| 6 | Accreditation (c) | 464,000 | 370,000 | 473,780 |
| Sub-total secretariat (a), (b) and (c) | | 3,906,337 | 3,162,780 | 4,386,830 |
| 7 | Readiness Programme (d) | 616,500 | 586,000 | 604,585 |
| Sub-total secretariat (a) + (b) + (c) + (d) | | 4,522,837 | 3,748,780 | 4,991,415 |
| TRUSTEE | | | | |
| 1 | CER Monetization | 203,000 | 203,000 | 180,000 |
| 2 | Financial and Program Management | 225,000 | 225,000 | 225,000 |
| 3 | Investment Management | 115,000 | 110,000 | 115,000 |
| 4 | Accounting and Reporting | 56,000 | 56,000 | 48,000 |
| 5 | Legal Services | 20,000 | 20,000 | 20,000 |
| 6 | External Audit | 50,000 | 46,066 | - |
| Sub-total trustee | | 669,000 | 660,066 | 588,000 |
| GRAND TOTAL ALL COMPONENTS | | 5,191,837 | 4,408,846 | 5,579,415 |

Approved Board and secretariat administrative budget for FY18 (Breakdown)

| All amounts in US\$ | | Approved FY17 | Estimate FY17 | Approved FY18 |
|--|---|------------------|------------------|------------------|
| PERSONNEL COMPONENT | | | | |
| Full-time staff (including benefits): | | | | |
| 01 | Senior Program Manager (GH) | | | |
| 02 | Senior Climate Change Specialist (GG) | | | |
| 03 | Senior Climate Change Specialist (GG) | | | |
| 04 | Operations Officer (Accreditation) (GF) | | | |
| 05 | Operations Associate (GD) | | | |
| 06 | Program Officer (GF) | | | |
| 07 | Operations Analyst - Accreditation (GE) | | | |
| 08 | Operations Analyst - Project Review and Monitoring (GE) | | | |
| 09 | Senior Programme Assistant (GD - Interim position) | | | |
| 10 | Communications (GE or GF) | | | |
| 11 | Knowledge Management (GF) | | | |
| sub-total AFB staff | | 1,366,546 | 1,140,000 | 1,951,805 |
| GEF staff cross-support (including benefits): | | | | |
| 01 | Head of the AFB Secretariat (GJ) - 10% | | | |
| 02 | HR support (GD) - 5% | | | |
| 03 | Review of projects (1@GF) - 6% | | | |
| 04 | Review of projects (5@GG) - 6% | | | |
| 05 | Advisor (GH) - 2% | | | |
| sub-total GEF staff | | 148,961 | 109,280 | 154,850 |
| Consultants & Others | | | | |
| 01 | AFB Secretariat Support (Legal support etc.) | 49,350 | 135,000 | 81,690 |
| 02 | Design and Operation of dedicated Web sites | 36,750 | 30,000 | 15,500 |
| 03 | Communications Strategy | 145,000 | 145,000 | 72,275 |
| 04 | Environment and social safeguards & Gender | 46,140 | 46,000 | 61,440 |
| 05 | Accounting support | 24,000 | 22,000 | 22,000 |
| 06 | IT support | 8,500 | 8,500 | 8,500 |
| 07 | Knowledge Management/Result Based Management | 68,000 | 68,000 | 126,400 |
| 08 | Project review | - | - | 86,790 |
| sub-total Consultants | | 377,740 | 454,500 | 474,595 |
| SUB-TOTAL PERSONNEL COMPONENT | | 1,893,247 | 1,703,780 | 2,581,250 |
| TRAVEL COMPONENT | | | | |
| 01 | AF Secretariat staff | 230,000 | 230,000 | 220,000 |
| 02 | Awareness Raising | 60,000 | 60,000 | 62,000 |
| 03 | Board - Non-Annexed eligible members | 190,000 | 120,000 | 120,000 |
| SUB-TOTAL TRAVEL COMPONENT | | 480,000 | 410,000 | 402,000 |
| GENERAL OPERATIONS COMPONENT | | | | |
| 01 | Office Space, Equipment and Supplies | 155,500 | 155,500 | 163,000 |
| 02 | Support to Chair (communications) | 24,990 | 10,000 | 20,000 |
| 03 | Publications and Outreach | 123,500 | 123,500 | 192,000 |
| 04 | Staff relocation | 2,100 | 5,000 | - |
| SUB-TOTAL GENERAL OPERATIONS COMPONENT | | 306,090 | 294,000 | 375,000 |
| MEETINGS COMPONENT | | | | |
| 01 | Logistics, interpretation, report writing etc. | 252,000 | 200,000 | 169,800 |
| 02 | Translation | 105,000 | 85,000 | 85,000 |
| 03 | AFB meeting room rentals | 6,000 | | - |
| SUB-TOTAL MEETINGS COMPONENT | | 363,000 | 285,000 | 254,800 |
| TOTAL ALL COMPONENTS | | 3,042,337 | 2,692,780 | 3,613,050 |

Approved Board and secretariat administrative budget for FY18 (Breakdown) [Continued]

| Accreditation | | | | |
|----------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|
| All amounts in US\$ | | | | |
| | | <u>Approved FY17</u> | <u>Estimate FY17</u> | <u>Approved FY18</u> |
| 01 | Accreditation Panel (fees & conting.) | 300,000 | 300,000 | 303,780 |
| 02 | Accreditation Panel/Staff (travel) | 164,000 | 70,000 | 127,000 |
| 03 | Accreditation System | - | - | 43,000 |
| TOTAL ACCREDITATION | | 464,000 | 370,000 | 473,780 |

| Overall Evaluation | | | | |
|---------------------------------|--------------------|--------------------------|--------------------------|--------------------------|
| All amounts in US\$ | | | | |
| | | <u>Approved FY17</u> | <u>Estimate FY17</u> | <u>Approved FY18</u> |
| 01 | Overall evaluation | 400,000 | 100,000 | 300,000 |
| TOTAL OVERALL EVALUATION | | 400,000 | 100,000 | 300,000 |

Approved Readiness Programme budget for FY18 (Breakdown)

| All amounts in US\$ | | | | |
|---|--|--------------------------|--------------------------|--------------------------|
| | | <u>Approved FY17</u> | <u>Estimate FY17</u> | <u>Approved FY18</u> |
| PERSONNEL COMPONENT (Consultants & others) | | | | |
| 01 | Secretariat Support | 40,000 | 15,000 | 22,000 |
| 02 | Web sites | 15,000 | 15,000 | 15,000 |
| 03 | Communications strategy (Knowledge exchange) | 15,000 | 20,000 | 9,000 |
| 04 | Environment and social safeguards & Gender | 60,000 | 50,000 | 62,420 |
| 05 | Accreditation | 36,000 | 32,000 | 38,665 |
| SUB-TOTAL PERSONNEL COMPONENT | | 166,000 | | 147,085 |
| TRAVEL COMPONENT | | | | |
| 01 | AF Secretariat staff | 82,000 | 90,000 | 107,000 |
| 02 | Meeting participants | 272,500 | 400,000 | 301,500 |
| 03 | Board members | 3,000 | 3,000 | 3,000 |
| SUB-TOTAL TRAVEL COMPONENT | | 357,500 | 493,000 | 411,500 |
| GENERAL OPERATIONS COMPONENT | | | | |
| 01 | Office Space, Equipment and Supplies | 7,000 | 7,000 | 7,500 |
| 02 | Publications, Outreach | 50,000 | 50,000 | 18,500 |
| SUB-TOTAL GENERAL OPERATIONS COMPONENT | | 57,000 | 57,000 | 26,000 |
| MEETINGS COMPONENT | | | | |
| 01 | Logistics | 36,000 | 36,000 | 20,000 |
| SUB-TOTAL MEETINGS COMPONENT | | 36,000 | 36,000 | 20,000 |
| TOTAL ALL COMPONENTS | | 616,500 | 586,000 | 604,585 |

ANNEX IV

DIALOGUE WITH CIVIL SOCIETY, 16 MARCH 2017, BONN, GERMANY

133. Chair of the Adaptation Fund Board, Mr. Michael Kracht (Germany, Annex I Parties), invited the Board to enter into a dialogue with civil society.

134. Ms. Lisa Elges (Transparency International) reported on the recently published progress report on the Adaptation Fund, entitled *Protecting climate finance Progress update on the Adaptation Fund's anti-corruption policies and practices* (ISBN: 978-3-96076-043-6)². That report had introduced three new criteria: the anti-money-laundering policies of the implementing entities, their procurement safeguards and their access to information policies. She said that the Fund's adoption of a policy of zero tolerance on corruption and its complaints handling mechanism were major advances, although the anti-money laundering policy was not explicit. She commended the requirement that any money lost to corruption be returned to the Fund, as well as Fund's commitment to transparency around projects. However, no progress had been made regarding the scope of whistleblower protection, or the establishment of a formal appeal procedure, and observer participation at the meetings of the Board continued to be restricted. Whistleblower protection was a key element and had to go beyond the protection of staff members; the members of the public would not come forward unless they were protected as well. The method for requesting information also had to be made more explicit on the website of the Fund; it had to be easy to uncover the policies of the Fund or they would not be accessed by the public.

135. In response to a query about the methodology being used in the review, Ms. Elges explained that she had conducted a desk study of the available information on-line, which was the standard methodology of Transparency International. She also said that her organization valued the Fund's commitment to access to information and that there would be more reporting on the accountability mechanism in the next evaluation of the Fund. She stressed that observer participation was essential and should include the opportunity to comment on each of the agenda items being discussed by the Board.

136. Ms. Ritika Tewari (NewClimate – Institute for Climate Policy and Global Sustainability) reported on her organization's recently published report *Innovative Financing for the Adaptation Fund: Pathways and Potentials*³, which had been prepared in collaboration with Germanwatch. She said that the study was a multi-criteria assessment of the potential of seven innovative financing options being used as sources of funding and discussed how they could be implemented. The options were derived from either a share of the proceeds of, or a levy on, crediting or offsetting mechanisms; or revenue earmarking from emission trading schemes or carbon taxes. Those options were then classified as international instruments, national instruments or instruments issued by non-state actors. All of the options had a high operational feasibility and could be designed to have a climate neutral impact overall and to contribute to fair climate financing. The feasibility of the options varied due to the price volatility of the carbon instruments and the possibility of national political interference.

137. The report presented a variety of prospective adaptation finance options, with varying revenue generation potential and overlapping implementation time-frames. Reliance on a single source of revenue could be avoided by proactive efforts to pursue more than one option, although only the third option, the sale of proceeds from the voluntary carbon markets and the earmarking of

² https://transparency.eu/wp-content/uploads/2017/04/2017_ProtectingClimateFinance_AFPProgressReport_EN.pdf

³ <http://af-network.org/download/8433.pdf>

revenues from sub-national emission trading schemes, had the greatest potential to generate revenue before the year 2020. As a way forward the study recommended that that the Adaptation Fund proactively pursue a two per cent campaign, establishing that as a global norm for the sale of proceeds from carbon pricing instruments. It should also help operationalise Article 6 of the Paris Agreement, create relations with cities and regions for voluntary contributions from regional emission trading schemes, pilot earmarking of auctioning revenues and national carbon taxes, and target the sale of proceeds from voluntary carbon markets.

138. One member observed that the study provided a road map for the resource mobilization task force which should to look at those options that would generate resources quickly from non-states actors such as regions and cities. He complemented the representatives of civil society for their report. It was also noted that there would be no “silver bullet” solution for resource mobilization and that there is also the possibility to make donations via the Fund’s website. In this context, the Chair drew the attention to a recent proposal for tapping into socially responsible corporate air travel (“Oxford Crowdfunding for Adaptation Initiative”)⁴.

139. Ms. Julia Grimm (Germanwatch) explained that the Adaptation Fund NGO Network (Network) was a coalition of non-governmental organizations (NGOs) and interested stakeholders that strove for a sustainable and dynamic influence on politics and the engagement of civil society in order to give a voice to the most vulnerable. It directly supported NGOs in a number of developing countries to increase their capacity to accompany the project cycle of the Adaptation Fund and to enable and promote a multi-stakeholder process. The Network had grown from four founding members to 208 members by the time of the present meeting. It was a strong voice for climate justice at the local, national, regional and international levels and provided bottom-up legitimacy for the policy demands that it articulated. It provided an independent rating on project implementation through its monitoring and evaluation score cards and was improving its communication strategy as well as developing one for its partners at the national level.

140. Network members had also actively participated in the debates and discussions at the twenty-second meeting of the Conference of the Parties, and had hosted, and contributed to, several side events. One example of that participation was that of Environment Development Action in the Third World (ENDA), a Network member from Senegal. ENDA had joined the panel of a side-event organized by the Adaptation Fund that had focused on several projects having a positive impact on vulnerable communities through sustainable and climate-resilient agricultural. ENDA had shared its experiences and the best-practices learnt during the implementation of the project in Senegal. It had also strengthened its own organizational capacity, while increasing the institutional capacity of national and local actors, and had raised awareness on climate change adaptation among the local population. The Network would encourage its other partner organizations to both accompany project implementation and engage in the project planning phase. As the Adaptation Fund’s portfolio evolved, the Network would identify new partner organizations for the different focus areas being developed.

141. The Chair thanked those members of civil society in attendance for their presentations.

⁴ http://www.eurocapacity.org/finance/documents/Oxford_Crowdfunding_for_Adaptation_Brochure_Feb_2017_pdf

ANNEX V

AFB 29 Funding Decisions (March 17, 2017)

| | Country/Title | IE | Document Ref | Project | NIE | RIE | MIE | Set-aside Funds | Decision |
|---------------------------------------|--------------------------|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| 1. Projects and Programmes: | | | | | | | | | |
| Single-country | | | | | | | | | |
| | Antigua and Barbuda | ABED | AFB/PPRC.20/12 | 9,970,000 | 9,970,000 | | | 9,970,000 | Approved |
| | Ethiopia | MOFEC | AFB/PPRC.20/13 | 9,987,910 | 9,987,910 | | | 9,987,910 | Approved |
| | Panama | Fundación Natura | AFB/PPRC.20/14 | 9,967,559 | 9,967,559 | | | 9,967,559 | Approved |
| | Guinea-Bissau | BOAD | AFB/PPRC.20/15 | 9,979,000 | | 9,979,000 | | | Not approved |
| | Micronesia (Fed. Sts of) | SPREP | AFB/PPRC.20/16 | 9,000,000 | | 9,000,000 | | 9,000,000 | Approved |
| | Peru | CAF | AFB/PPRC.20/17 | 2,941,446 | | 2,941,446 | | 2,941,446 | Approved |
| | Fiji | UN-HABITAT | AFB/PPRC.20/18 | 4,200,000 | | | 4,200,000 | | Not approved |
| | Honduras | UNDP | AFB/PPRC.20/19 | 4,379,700 | | | 4,379,700 | 4,379,700 | Approved |
| | Paraguay | UNEP | AFB/PPRC.20/20 | 7,128,450 | | | 7,128,450 | 7,128,450 | Approved |
| | Solomon Islands | UN-HABITAT | AFB/PPRC.20/21 | 4,395,877 | | | 4,395,877 | | Not approved |
| | Sub-total | | | 71,949,942 | 29,925,469 | 21,920,446 | 20,104,027 | 53,375,065 | |
| 2. Project Formulation Grants: | | | | | | | | | |
| Single country | | | | | | | | | |
| | Micronesia (Fed. Sts of) | MCT | AFB/PPRC.20/6/Add.1 | 30,000 | 30,000 | | | 30,000 | Approved |
| | Armenia (1) | EPIU | AFB/PPRC.20/7/Add.1 | 27,000 | 27,000 | | | | Not approved |
| | Armenia (2) | EPIU | AFB/PPRC.20/8/Add.1 | 30,000 | 30,000 | | | | Not approved |
| | Dominican Republic | IDDI | AFB/PPRC.20/9/Add.1 | 30,000 | 30,000 | | | 30,000 | Approved |
| | Sub-total | | | 117,000 | 117,000 | | | 60,000 | |
| 3. Concepts: Single-country | | | | | | | | | |
| | Micronesia (Fed. Sts of) | MCT | AFB/PPRC.20/6 | 970,000 | 970,000 | | | | Endorsed |
| | Armenia (1) | EPIU | AFB/PPRC.20/7 | 1,385,380 | 1,385,380 | | | | Not endorsed |
| | Armenia (2) | EPIU | AFB/PPRC.20/8 | 2,483,000 | 2,483,000 | | | | Not endorsed |
| | Dominican Republic | IDDI | AFB/PPRC.20/9 | 9,954,000 | 9,954,000 | | | | Endorsed |
| | Ecuador | CAF | AFB/PPRC.20/10 | 2,489,373 | | 2,489,373 | | | Endorsed |
| | Suriname | IDB | AFB/PPRC.20/11 | 9,801,619 | | | 9,801,619 | | Endorsed |
| | Sub-total | | | 27,083,372 | 14,792,380 | 2,489,373 | 9,801,619 | | |

| | | | | | | | | | |
|---|---|------------|----------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| 4. Projects and Programmes: Regional | | | | | | | | | |
| | Chile, Ecuador | CAF | AFB/PPRC.20/25 | 13,910,400 | | 13,910,400 | | | Not approved |
| | Burundi, Kenya, Rwanda, Tanzania, Uganda | UNEP | AFB/PPRC.20/26 | 5,000,000 | | | 5,000,000 | | Not approved |
| | Colombia, Ecuador | WFP | AFB/PPRC.20/27 | 14,000,000 | | | 14,000,000 | | Not approved |
| | Ethiopia, Kenya, Uganda | WMO | AFB/PPRC.20/28 | 6,800,000 | | | 6,800,000 | 6,800,000 | Approved |
| Sub-total | | | | 39,710,400 | | 13,910,400 | 25,800,000 | 6,800,000 | |
| 5. Project Formulation Grants: Regional Concepts | | | | | | | | | |
| | Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic | CABEI | AFB/PPRC.20/22/Add.1 | 100,000 | | 100,000 | | | Deferred |
| | Madagascar, Malawi, Mozambique and Union of Comoros | UN-HABITAT | AFB/PPRC.20/23/Add.1 | 80,000 | | | 80,000 | 80,000 | Approved |
| | Cuba, Dominican Republic and Jamaica | UNDP | AFB/PPRC.20/24/Add.1 | 80,000 | | | 80,000 | | Not approved |
| Sub-total | | | | 260,000 | | 100,000 | 160,000 | 80,000 | |
| 6. Concepts: Regional | | | | | | | | | |
| | Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic | CABEI | AFB/PPRC.20/22 | 5,000,000 | | 5,000,000 | | | Deferred |
| | Madagascar, Malawi, Mozambique and Union of Comoros | UN-HABITAT | AFB/PPRC.19/24 | 13,544,055 | | | 13,544,055 | | Endorsed |
| | Cuba, Dominican Republic and Jamaica | UNDP | AFB/PPRC.20/24 | 4,969,367 | | | 4,969,367 | | Not endorsed |
| Sub-total | | | | 23,513,422 | | 5,000,000 | 18,513,422 | | |
| 7. Total (7 = 1 + 2 + 3 + 4 + 5+6) | | | | 162,634,136 | 44,834,849 | 43,420,219 | 74,379,068 | 60,315,065 | |

ANNEX VI

Breakdown of approved project/programme funds

| Country/Project Name | Project code | Project Funding | IE Fees | Total Approved Amount |
|---|------------------------|-----------------|---------|-----------------------|
| Antigua and Barbuda (Department of Environment) , An integrated approach to physical adaptation and community resilience in Antigua and Barbuda's northwest McKinnon's watershed | ATG/NIE/Multi/2016/1 | 9,215,000 | 755,000 | 9,970,000 |
| Ethiopia (MoFEC) , Climate Smart Integrated Rural Development Project | ETH/NIE/Rural/2016/1 | 9,486,467 | 501,443 | 9,987,910 |
| Honduras (UNDP) , Ecosystem-Based Adaptation at Communities of the Central Forest Corridor in Tegucigalpa | HND/MIE/Multi/2016/1 | 4,036,590 | 343,110 | 4,379,700 |
| Micronesia, Federated States of (SPREP) , Enhancing the Climate Change Resilience of Vulnerable Island Communities in Federated States of Micronesia | FSM/RIE/Coastal/2015/1 | 8,294,931 | 705,069 | 9,000,000 |
| Panama (Fundacion Natura) , Adapting to climate change through integrated water management in Panama | PAN/NIE/Water/2016/1 | 9,195,165 | 772,394 | 9,967,559 |
| Paraguay (UNEP) , Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco region of Paraguay | PRY/MIE/Food/2012/1 | 6,570,000 | 558,450 | 7,128,450 |
| Peru (CAF) , AYNINACUY: Strategies for adaptation to climate change, for the preservation of livestock capital and livelihoods in highland rural communities | PER/RIE/Rural/2015/1 | 2,723,561 | 217,885 | 2,941,446 |
| Micronesia, Federated States of (MCT) , Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federates States of Micronesia (project formulation grant) | FSM/NIE/Multi/2016/2 | 30,000 | 0 | 30,000 |
| Dominican Republic (IDDI) , Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme (project formulation grant) | DOM/NIE/Water/2016/1 | 30,000 | 0 | 30,000 |
| Ethiopia, Kenya and Uganda (WMO) , Agricultural Climate Resilience Enhancement Initiative (ACREI) | AFR/MIE/Food/2015/2 | 6,222,000 | 578,000 | 6,800,000 |
| Comoros, Madagascar, Malawi and Mozambique (UN-Habitat) , Building urban climate resilience in south-eastern Africa (project formulation grant) | AFR/MIE/DRR/2016/1 | 80,000 | 0 | 80,000 |

