



ADAPTATION FUND

16 September 2018

Adaptation Fund Board

Report of the Adaptation Fund Board to the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its fourteenth session

The Adaptation Fund Board decided to approve the report of the Adaptation Fund Board to the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its fourteenth session, as contained in the annex to this decision.

Decision B.31-32/28

**UNITED
NATIONS**

Distr.
GENERAL

FCCC/KP/CMP/2018/
... 2018

Original: ENGLISH

**CONFERENCE OF THE PARTIES SERVING AS THE
MEETING OF THE PARTIES TO THE KYOTO PROTOCOL**
Fourteenth session
Katowice, Poland, 3-14 December 2018

Item 7 (a) of the provisional agenda
Adaptation Fund
Report of the Adaptation Fund Board

Report of the Adaptation Fund Board

Note by the Chair of the Adaptation Fund Board

Summary

This report has been prepared in response to decision 1/CMP.3 requesting the Adaptation Fund Board to report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and covers the period from 1 July 2017 to 30 June 2018. An addendum will be issued after the 32nd meeting of the Adaptation Fund Board, that covers the period of time from 1 July 2018 to 12 October 2018. The Chair will report orally to the CMP at its fourteenth session and provide an update. The report provides information on progress made with respect to the Adaptation Fund, in particular on the implementation of tasks mandated by the CMP, and recommends actions to be taken by the CMP, as appropriate. The report contains, inter alia, information on decisions and actions taken by the Adaptation Fund Board to be noted by the CMP.

Table of Contents

I. INTRODUCTION.....	3
A. Mandate	3
B. Scope of the note	3
C. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session	3
II. WORK UNDERTAKEN DURING THE REPORTING PERIOD	4
III. SUPPORT TO THE ADAPTATION FUND BOARD FOR THE IMPLEMENTATION OF ITS MANDATE	16
IV. THE ADAPTATION FUND AND THE PARIS AGREEMENT	18
ANNEX I: ADDED VALUE OF THE ADAPTATION FUND FOR THE OPERATIONALIZATION OF THE PARIS AGREEMENT	19
ANNEX II: Adaptation Fund Board members and alternate members ...	28
Annex III: Approved and actual FY18 and approved FY19 budget of the Board and secretariat, and the trustee.....	30
Annex IV: List of accredited implementing entities	30
Annex V: Project funding approvals by the Adaptation Fund Board between 1 July 2017 and 30 June 2018	30
Annex VI: Status of the portfolio of the Fund	43
Annex VII: Guidance by CMP 14 and response by Adaptation Fund Board	55
Annex VIII: Financial report of the Adaptation Fund Trust Fund as at 30 June 2018, prepared by the trustee. Supplemental Report for the Adaptation Fund Board Report to CMP 14.	59

I. Introduction

A. Mandate

1. The Conference of the Parties (COP), at its seventh session, agreed to the establishment of the Adaptation Fund (the “Fund”).¹ The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its third session, decided that the operating entity of the Adaptation Fund would be the Adaptation Fund Board (the “Board”), serviced by a secretariat and an interim trustee (the “trustee”).²

2. By its decision 1/CMP.3, the CMP requested the Board to report on its activities at each session of the CMP. It further invited the Global Environment Facility (GEF) to provide secretariat services to the Board, and the International Bank for Reconstruction and Development (the “World Bank”) to serve as the trustee for the Fund, both on an interim basis.

B. Scope of the note

3. This report provides information on progress made by the Fund, in particular on the implementation of the mandate from the CMP, and recommendations for actions to be taken by the CMP, as appropriate. Unless otherwise noted, the report covers the period from 1 July 2017 to 30 June 2018.

C. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session

4. The CMP may wish to take note of the information contained in this report.

5. The Board invites the CMP to take note of the following key events, actions and decisions, taken in accordance with decision 1/CMP.4, paragraph 10:

- (a) During the reporting period three national implementing entities (NIE) that can directly access resources from the Adaptation Fund were accredited. As of the date of this report, the total number of accredited implementing entities amounted to 28 NIEs, 6 regional implementing entities (RIEs) and 12 multilateral implementing entities (MIEs). In particular, 7 NIEs from least developed countries (LDCs) and 6 NIEs from small island developing States (SIDS) have been accredited. A total of 13 accredited implementing entities have been re-accredited among 46 accredited implementing entities of the Fund: three NIEs, one RIE, and nine MIEs;
- (b) Cumulative receipts into the Fund Trust Fund reached USD 753.5 million, comprising USD 199.4 million from the monetization of certified emission reductions (CERs), USD 538.3 million from additional contributions and USD 15.8 million from investment income earned on trust fund balances (as at 30 June 2018). The receipts during the reporting period were USD 104.1 million, comprising USD 1.6 million from the monetization of CERs, USD 95.9 million from additional contributions and USD 6.5 million from investment income;
- (c) Cumulative project and programme approvals reached USD 476.8 million (as at 30 June 2018);

¹ Decision 10/CP.7.

² Decision 1/CMP.3, para. 3.

- (d) Adoption, by the Board, of the first medium-term strategy for the Fund for 2018-2022 (October 2017) and of an implementation plan for the strategy (March 2018). The Board also started implementing the strategy in accordance with the plan;
- (e) Approval of funding decisions for readiness grants amounting to USD 175,000 consisting of USD 150,000 in South-South cooperation grants, and a USD 25,000 technical assistance grant for the environmental and social policy and gender policy. See Annex V for a full summary of readiness grant decisions;
- (f) Approval, under the pilot phase of the readiness support package, of the first readiness support package grant in July 2018 amounting to USD 100,000, to provide tailored technical assistance and capacity building through a suite of tools to support developing country entities to access the Fund's resources through Direct Access.
- (g) Ongoing discussion on linkages between the Fund and the Green Climate Fund (GCF);
- (h) Funds available for new funding approvals amounted to USD 225.70million as at 30 June 2018;
- (i) Approval of eight single-country project/programme proposals submitted by implementing entities with the total amount of USD 29.0 million, including four proposals submitted by the NIEs for Cook Islands, the Federated States of Micronesia, Namibia and Senegal, and with the amount of USD 10.3 million. One proposal was submitted by an RIE with the amount of USD 10.0 million, for Guinea-Bissau. Lastly, three proposals submitted by MIEs with a total amount of USD 18.6 million, were approved for Fiji, Iraq and Solomon Islands;
- (j) Approval of two regional (multi-country) projects, with the total funding of USD 19.0 million, including USD 14.0 million for Colombia and Ecuador and USD 5.0 million for Burundi, Kenya, Rwanda, the United Republic of Tanzania and Uganda, and decision to provide funding up to the amount of USD 60 million for the funding of regional project and programme proposals in fiscal year 2019 (1 July 2018 to 30 June 2019);
- (k) Contributions received during the reporting period amounted to USD 95.9 million, from Germany, Ireland, Italy and Sweden, and the Brussels-Capital and Walloon Regions of Belgium.

II. Work undertaken during the reporting period

6. The Board held two meetings during the reporting period, each convened at the premises of the United Nations Convention to Combat Desertification (UNCCD) in Bonn, Germany. The agendas and annotations (including background documentation on the agenda items) and detailed reports of the meetings are available on the Fund's website.³

7. The following sections describe the major work undertaken by the Board during the reporting period.

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

8. In accordance with decision 1/CMP.3, paragraph 13, the Board, at its 30th meeting, elected by consensus Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean) as Chair of the Board. During the intersessional period between the 30th and the 31st meetings, the Board elected Ms. Sylviane Bilgischer (Belgium, Annex I Parties) as Vice-Chair.

³ <<http://www.adaptation-fund.org>>.

Changes in composition of the Adaptation Fund Board

9. During the reporting period, a number of members and alternate members of the Board were replaced. Among the members: Ms. Barbara Schäfer (Germany, Western European and other States) replaced Mr. Hans Olav Ibrekk (Norway); and Ms. Sylviane Bilgischer (Belgium, Parties included in Annex I to the Convention (Annex I Parties)) replaced Mr. Michael Jan Hendrik Kracht (Germany). Among the alternate members: Mr. Massoud Rezvanian Rahaghi (Islamic Republic of Iran, Asia-Pacific States) replaced Mr. Naser Moghaddasi (Islamic Republic of Iran); Ms. Aida Velasco Munguira (Spain, Western European and other States) replaced Ms. Yuka Greiler (Switzerland); Mr. Patrick Sieber (Switzerland, Annex I Parties) replaced Ms. Yuka Greiler (Switzerland) who resigned after replacing Ms. Aida Velasco Munguira (Spain). In addition, Mr. Naresh Sharma (Nepal), member, and Mr. Chebet Maikut (Uganda), alternate, both for the LDCs, switched their positions. One member position, previously held by Mr. Lucas di Pietro Paolo (Argentina, Latin American and Caribbean States), and two alternate member positions, previously held by Mr. Philip Weech (Bahamas, Latin American and Caribbean States) and by Ms. Sylviane Bilgischer (Belgium, Western European and other States), respectively, had not been filled as at the end of the reporting period.

10. The complete list of Board members and alternate members is contained in Annex II.

Calendar of meetings of the Adaptation Fund Board in 2018

11. The Board adopted a calendar of meetings for 2018 (see Table 1) for its 31st and 32nd meetings. Meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) immediately preceded each Board meeting.

Table 1. Calendar of meetings of the Adaptation Fund Board in 2018

<i>Dates</i>	<i>Location</i>
31 st meeting, 22 and 23 March	Bonn, Germany
32 nd meeting, 11 and 12 October	Bonn, Germany

Resources in the Adaptation Fund Trust Fund

12. As at 30 June 2018, the trustee had sold 26.7 million Fund CERs at an average price of USD 7.47, generating revenues of USD 199.40 million. Receipts from the monetization of CERs amounted to USD 1.6 million during the 12-month period ending on 30 June 2018. As of 30 June 2018, 11.7 million CERs were still available to be sold, in accordance with the CER monetization guidelines adopted by the Board. The Board has instructed the trustee to transfer a total of USD 294.8 million to implementing entities to date.

13. Funds available for new funding approvals amounted to USD 225.70 million as at 30 June 2018.

Work plan of the Adaptation Fund Board

14. The Board, at its 31st meeting, adopted its work plan for the fiscal year from 1 July 2018 to 30 June 2019.⁴

Budget of the Adaptation Fund Board, secretariat and trustee

15. At its 31st meeting, the Board considered and approved resources to support the work of the Board and its secretariat and the trustee through to 30 June 2019 (Annex III).⁵ The estimated administrative budget requirement approved for the fiscal year 2019 for the Board, the secretariat and the trustee is USD 6,069,715 as at 30 June 2018, representing an increase of 6 per cent from the approved amount for the previous year.

⁴ Adaptation Fund Board decision B.31/28.

⁵ Adaptation Fund Board decision B.31/29.

The approved budget accommodates a) the increased non-salary staff cost⁶; b) the implementation of a series of activities under the medium-term strategy; and c) the establishment of the evaluation function of the Adaptation Fund.

Accreditation of Implementing Entities

16. Decision 1/CMP.3, paragraph 30, provides that “in order to submit a project proposal, Parties and implementing or executing entities shall meet the criteria adopted by the Adaptation Fund Board in accordance with paragraph 5(c) above, in order to access funding from the Adaptation Fund”.

17. The Board’s Accreditation Panel met three times during the reporting period. The Board elected Mr. Antonio Navarra (Italy, Annex I Parties) as Chair and Mr. Chebet Maikut (Uganda, LDCs) as Vice-Chair. The Accreditation Panel is constituted by these two Board members, along with four independent expert members.

18. In line with the decision referred to in paragraph 15 above, during the reporting period, the Board considered the recommendations of the Accreditation Panel and approved the accreditation of three additional NIEs, namely the National Environment Management Council (NEMC) of the United Republic of Tanzania, the *Banque Agricole du Niger* (BAGRI) of Niger and the Bhutan Trust Fund for Environment Management (BTFEC) of Bhutan. During the reporting period, the total number of accredited implementing entities amounted to 28 NIEs, 6 RIEs and 12 MIEs. In particular, seven NIEs from LDCs and six NIEs from SIDS have been accredited. 14 NIEs from LDCs and seven from SIDS are in the accreditation pipeline. Out of 46 accredited implementing entities of the Fund, 13 have been re-accredited: three NIEs, one RIE, and nine MIEs. The list of accredited implementing entities is contained in Annex IV to this report.

19. The EFC, at its 22nd meeting on 20–21 March 2018, considered the issue of efficiency and effectiveness of the accreditation process.⁷ Having considered the comments and recommendation of the EFC, the Board at its 30th meeting, on 22–23 March 2018, made decisions on reviewing existing policies or establishing new policies for the accreditation process, as well as strengthening and simplifying it.⁸ The Accreditation Panel had, at its 27th meeting on 6–7 February 2018, held extensive discussions on the possible updates of the re-accreditation process, which were reported to the Board at the 30th Board meeting.⁹ The Panel also proposed an updated re-accreditation process for the Board’s consideration. Having considered the recommendation of the Panel, the Board decided to adopt the updated re-accreditation process.¹⁰ Further, to help avoid delays, the Panel has prepared an information note for Designated Authorities (DAs) on selecting a potential NIE, and the secretariat has communicated this note to the DAs.

Adaptation Fund Board committees

20. The EFC and the PPRC, established by the Board in 2009, met twice during the reporting period, scheduling their meetings two days prior to the subsequent Board meetings. Mr. Naresh Sharma (Nepal, LDCs) was elected as Chair and Ms. Aida Velasco Munguira (Spain, Western European and other States) as Vice-Chair of the PPRC. Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties) was elected as Chair and Ms. Patience Damptey (Ghana, Parties not included in Annex I to the Convention (non-Annex I Parties)) as Vice-Chair of the EFC.

21. The EFC considered and made recommendations to the Board on the following items: the annual performance report for the fiscal year 2017; Phase II of the overall evaluation of the Fund; establishment of the evaluation function; efficiency and effectiveness of the accreditation process; new annex to the

⁶ The Adaptation Fund Board Secretariat is hosted by the GEF Secretariat and under the administration of the World Bank Group. The non-salary staff cost recovery rate was revised from 50 per cent to 70 per cent of the staff salary effective on 1 July 2017 under the Bank wide policy change.

⁷ Adaptation Fund Board document AFB/EFC.22/4.

⁸ Adaptation Fund Board decision B.31/26.

⁹ Adaptation Fund Board document AFB/B.31/4 and its Annex I.

¹⁰ Adaptation Fund Board decision B.31/1.

Operational Policies and Guidelines related to project/programme implementation; and the budget and workplan of the Board, secretariat and trustee.

22. As at the end of the reporting period, the PPRC had reviewed 15 single-country project concepts and 23 fully developed proposals for single-country projects, representing 29 distinct proposed projects, reviewed during two meetings and one intersessional review period.

23. It had also reviewed nine pre-concepts, eight concepts and seven fully-developed project documents for regional (multi-country) projects and programmes, representing 17 distinct proposed projects and programmes. At its 31st meeting, the Board decided to merge the two pipelines for technically cleared regional proposals, containing proposals requesting funding at two different levels, up to US\$ 14 million and up to US\$ 5 million, respectively, established in decision B.28/1(b)(ii), so that starting in fiscal year 2019 the total provisional amount of funding for regional proposals each year would be allocated without distinction between the two categories originally described in document AFB/B.25/6/Rev.2, and that the funding of technically cleared regional proposals would be granted on a 'first come, first served' basis.

24. The PPRC also discussed and conveyed the outcomes of its deliberations to the Board on the definition of the principle of funding the full cost of adaptation in projects and programmes funded by the Fund, and discussed options for how post-implementation learning and impact evaluation could be arranged for projects and programmes.

Funding decisions on adaptation projects and programmes

25. Decision 1/CMP.4 paragraph 10, "Requests the Adaptation Fund Board to start processing proposals for funding projects, activities or programmes, as applicable, and to report back on progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol."

26. In line with the provision referred to in paragraph 22 above, the Board approved eight single-country proposals for funding for a total amount of USD 38.9 million and two regional proposals for funding for a total amount of USD 19.0 million, during the Board meetings held during the reporting period and intersessionally (Annex V). As at the end of the reporting period, single-country proposals amounting to USD 30.6 million and regional proposals amounting to USD 85.7 million awaited intersessional Board decision through a non-objection process, which was to be completed by 16 July 2018.

27. The Parties whose single-country proposals have been approved or recommended for approval for funding over the reporting period are: Cook Islands, Ecuador, Fiji, Guinea-Bissau, Iraq, the Federated States of Micronesia, Mongolia, Namibia, Senegal, and Solomon Islands. The Parties who are included in regional proposals that have been approved or recommended for approval for funding under the funding window for regional projects and programmes over the reporting period are: Benin, Burkina Faso, Burundi, Chile, Colombia, Ecuador (2 proposals), Ghana, Kenya, Niger, Rwanda, the United Republic of Tanzania, Togo and Uganda.

28. In addition to the funding decisions referred to in paragraph 26 above, the Board endorsed six single-country project concepts for Armenia (2 concepts), Cambodia, Indonesia (2 concepts) and Lesotho, for a total amount of USD 17.4 million, at its meetings during the reporting period, and approved four project formulation grants for those projects that had been submitted by NIEs, for a total amount of USD 117,000.

29. Under the funding window for regional projects and programmes, the Board also endorsed five project concepts for a total amount of USD 42.4 million, for regional projects in Argentina and Uruguay; Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali and Togo; Benin, Burkina Faso and Niger; Cuba, Dominican Republic and Jamaica; Thailand and Vietnam. Additionally, the Board endorsed five regional project pre-concepts for a total amount of USD 58.3 million, for regional projects in Albania, the Former Yugoslav Republic of Macedonia and Montenegro; Chile, Colombia and Peru; Cote d'Ivoire and Ghana; Cote d'Ivoire and Guinea; Djibouti, Kenya, Sudan and Uganda. The Board also approved USD 339,980 in project formulation grants for endorsed pre-concepts and concepts. Another three regional concepts amounting to USD 32.1 million, for Djibouti, Kenya, Sudan and Uganda; Cote d'Ivoire and Ghana; and Kazakhstan, Tajikistan, Uzbekistan were recommended for endorsement, and associated project formulation grants

amounting to USD 257,200 were recommended for approval, as at the date of this report and awaited intersessional Board decision through a two-week non-objection process to be completed by 16 July 2018.

30. The sectors represented in the approved fully-developed proposals and endorsed pre-concepts and concepts included: agriculture, coastal management, disaster risk reduction, food security, rural development, urban development, water resources management, multisector projects and ecosystem-based adaptation. This has been illustrated in Annex V, figures 4 and 5.

31. CMP 11 requested the Board to provide in its reports to the CMP further information on the status of the portfolio of the Fund, including projects at different stages of development.¹¹ The requested information is contained in Annex VI (tables 1 to 5).

32. Responding to the suggestions and requests made by the civil society and non-governmental organization (NGO) observers, all project/programme proposals are posted on the Fund's website as they are received, and interested stakeholders may send comments pertaining to the proposals to be posted online. Comments on proposals submitted to the Board can be sent by electronic message to the secretariat,¹² and are available on the respective project page on the website and included in the respective project document submitted to the PPRC.

Medium-term Strategy

33. During the reporting period, the Board completed the process of developing a medium-term strategy, which it had started at its 27th meeting in March 2016.¹³ The process of drafting the strategy was step-wise and consultative, and the secretariat's work was guided by a task force elected during the intersessional period before the 29th meeting of the Board and at that meeting in March 2017, and consisting of Mr. David Kaluba (Zambia, African States), Mr. Naser Moghaddasi (Islamic Republic of Iran, Asia-Pacific States), Mr. Aram Ter-Zakaryan (Armenia, Eastern European States), Mr. Lucas Di Pietro Paolo (Argentina, Latin American and Caribbean States), 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).¹⁴ Following discussion and amendments made at the 30th meeting of the Board in October 2017, the Board adopted the medium-term strategy at that meeting.¹⁵ The medium-term strategy is available on the Fund's website.¹⁶

34. The medium-term strategy, which covers a period of five years from 2018 to 2022, builds on the existing mandate of the Fund, and on an analysis of its key strengths and how it can help meet objectives derived from the 2030 Agenda for Sustainable Development and the Paris Agreement. The strategy outlines three main pillars of support to vulnerable developing countries: 1) Action, 2) Innovation, and 3) Learning and sharing. It calls for the Fund to accelerate and enhance the quality of adaptation action in developing countries and support country-driven projects and programmes, innovation and multi-level global learning and sharing for effective adaptation. According to the strategy, all activities are to be designed as gender-responsive and to benefit the most vulnerable. Developing countries will be supported to undertake high-quality adaptation projects and programmes that are aligned with their development needs and goals. While the Fund has supported innovation and learning throughout its history, the strategy foresees targeted funding for these activities such as support for scaling up proven innovative adaptation practices and technologies across countries or regions. Practical knowledge and lessons will also be captured and communicated from effective Fund activities and impact themes.

35. At its 30th meeting, while adopting the strategy, the Board requested the secretariat to prepare, under the supervision of the above-mentioned task force, a draft implementation plan for operationalizing the strategy, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and

¹¹ Decision 1/CMP.11, para. 11.

¹² <<https://www.adaptation-fund.org/contact/>>.

¹³ Adaptation Fund Board decision B.27/39.

¹⁴ Adaptation Fund Board decision B.29/1.

¹⁵ Adaptation Fund Board decision B.30/42.

¹⁶ <https://www.adaptation-fund.org/document/medium-term-strategy-2018-2022/>

political risks.¹⁷ At its 31st meeting in March 2018, the Board considered and approved the draft implementation plan for the medium-term strategy, and requested the secretariat: 1) to facilitate the implementation of the plan during the period 2018–2022; 2) to include the administrative budget for implementing the plan in the secretariat’s annual administrative budget during the strategy period, for consideration by the Fund’s Ethics and Finance Committee; 3) to prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in an annex of the implementation plan, with input from the Board’s committees; 4) following consideration of the new types of support, to propose, as necessary, amendments to the Fund’s operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and 5) to monitor the progress of implementation of the strategy and report on it annually as part of the annual performance reports of the Fund, and if necessary, propose possible adjustments to the plan during its implementation in conjunction with consideration of the annual work plan. The Board also requested, the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) to undertake a mid-term review of the medium-term strategy and the plan and report to the Board at its 36th meeting.¹⁸

36. As at the date of the report, the secretariat has started facilitating the implementation of the plan, and is in the process of preparing specific documents for new types of grants and funding windows, for consideration by the Board and its committees.

Portfolio monitoring

37. Over the course of the reporting period, 48 projects were under implementation, including five projects which started implementation during the reporting period and two projects that were completed. A total of USD 292.2 million has been disbursed to the 73 approved projects since the Fund’s operationalization, including USD 60.0 million during the period. The largest amount of grant funding approved thus far has been to the Africa region with 25 projects totalling USD 181.9 million in grants (38 per cent), followed by Latin America and the Caribbean, with 20 projects totalling USD 149.7 million in grants (32 per cent). This is followed by Asia-Pacific with 27 projects totalling USD 136.1 million in grants (29 per cent), and one project in Eastern Europe with the approved funding of USD 5.3 million (1 per cent).

38. By sector, the largest grant amount has gone to adaptation projects in the food security sector with USD 90.3 million approved (19 per cent), followed closely by the agriculture sector with USD 86.8 million (18 per cent) and multi-sector projects with USD 71.7 million (15 per cent). The eighth annual performance report of the Fund, corresponding to the period 1 July 2017 – 30 June 2018, will be considered by the Board at its 32nd meeting. This has been illustrated in Annex VI, figure 1.

39. The Fund also tracks the breakdown of the grant amount by Fund level outcome, under its Strategic Results Framework (SRF). The largest amount of grant funding is channelled toward outcome four of the SRF, “Increased adaptive capacity within relevant development and natural resource sectors” (USD 113.1 million, 24 per cent), followed by outcome five, “Increased ecosystem resilience in response to climate change and variability-induced stress” (USD 81.9 million, 17 per cent).

Third review of the Adaptation Fund

40. The first review of the Fund was concluded at CMP 8 and the second review at CMP 10. During the reporting period, the third review of the Fund was concluded at CMP 13.¹⁹ As mandated at CMP 12²⁰, the review was based on terms of reference contained in the annex of the decision 1/CMP.12; views on the third

¹⁷ Ibid.

¹⁸ Adaptation Fund Board decision B.31/32.

¹⁹ Decision 2/CMP.13

²⁰ Decision 1/CMP.12

review of the Fund by Parties and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Fund and implementing entities accredited by the Board, based on the terms of reference and submitted for consideration by the Subsidiary Body for Implementation (SBI) at its 46th session (SBI 46, May 2017); and a technical paper on the third review of the Fund prepared by the UNFCCC secretariat, in collaboration with the Adaptation Fund Board secretariat, in accordance with the terms of reference, taking into account the deliberations and conclusions of the SBI 46 and the views referred to above, for consideration by the SBI at its 47th session (SBI 47, November 2017).

41. CMP 13 took note of the technical paper on the third review of the Fund,²¹ based on the terms of reference for the review contained in the annex to decision 1/CMP.12 and welcomed the completion of phase 1 of the independent evaluation of the Fund and looked forward to phase 2. CMP 13 recognized the lessons learned and progress made since the second review of the Fund, including initiatives and improvements such as modalities to enable enhancement of the direct access modality, the Readiness Programme including its South-South mentoring channel, a streamlined process for accreditation for small entities and guidance on accreditation standards. CMP 13 also recognized the comparative advantage of the Fund, including the speed of project approval, the strategic engagement by stakeholders at the subnational level, the various institutional benefits, the efficiency of institutional arrangements and the enhancement of country ownership in the funding process. CMP 13 welcomed the implementation of mandatory compliance for implementing entities with the Fund's environmental and social safeguards and gender policy, which enhances the effectiveness of the Fund.²²

42. CMP 13 noted the efforts made by the Board in enhancing cooperation with other funds to ensure coherence and complementarity,²³ and encouraged the Board: a) to consider options for improvement of efficiency with regard to the operation of the Adaptation Fund; b) to continue to engage with subnational actors and the private sector through, inter alia, microfinance schemes, weather-based insurance arrangements, involvement with local industry groups and farmers in adaptation projects, and public-private partnerships; c) to consider voluntary tracking of climate finance mobilized, where appropriate; and d) to continue the efforts to enhance complementarity and coherence with other funds both under and outside the Convention.²⁴

43. CMP 13 also requested the Board a) to consider lessons learned from the Fund's engagement with private sector stakeholders in adaptation projects at the local level, including in the decision-making processes of the Fund and in communications with donors; b) to monitor and assess project approval time under the Readiness Programme, identifying any linkages of this time to the introduction of the Fund's environmental and social policy, and to take measures to reduce the time, as necessary, while continuing to implement its environmental and social safeguards and gender policy; c) to continue to provide information on project approval time; d) to continue monitoring the adaptation impacts and results of the Fund, including using local and sector-specific metrics; and e) to report on progress made on the mandates arising from this decision in the future reports of the Fund to the CMP.²⁵ Annex VII to this report contains a summary presentation of how the Board has responded to the guidance from CMP 13.

44. CMP 13 also requested the Subsidiary Body for Implementation, at its session to be held in June 2020, to initiate the fourth review of the Adaptation Fund, in accordance with the terms of reference contained in the annex to decision 1/CMP.12, or as amended, and to report back to its governing body to be convened in conjunction with the twenty-seventh session of the Conference of the Parties (November 2021).

²¹ FCCC/TP/2017/6.

²² Decision 2/CMP.13, para. 1–5.

²³ Decision 2/CMP.13, para. 6.

²⁴ Decision 2/CMP.13, para. 7.

²⁵ Decision 2/CMP.13, para. 8.

Operational linkages and relations with institutions under the Convention

45. CMP 10 requested the Board to consider options for developing operational linkages, as appropriate, between the Fund and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies.²⁶ As noted above, CMP 13 noted the efforts made by the Board in enhancing cooperation with other funds to ensure coherence and complementarity, and encouraged the Board [...] to continue the efforts to enhance complementarity and coherence with other funds both under and outside the Convention.

46. The Board has taken action to promote linkages with other bodies under the Convention, such as the GCF, the GEF, the Adaptation Committee (AC), the Standing Committee on Finance (SCF), and the Climate Technology Centre and Network (CTCN). The secretariat participated, as an observer, in the 17th, 18th and 19th meetings of the GCF Board, and participated in the GCF Structured Dialogue with Latin America in Bogota, Colombia, from 5-8 March 2018 and in the GCF Empowering Direct Access Workshop in Songdo, Republic of Korea, from 29 May – 1 June 2018. The secretariat also participated as an observer in the 13th meeting of the Adaptation Committee (AC13), held in Bonn, Germany, from 27 February – 2 March 2018. A representative of the GCF joined the 30th and 31st meeting of the Board as an observer.

47. The secretariat also participated in the second meeting of the Paris Committee on Capacity-building from 3–5 May 2018 and participated, as a panellist, in the in-session workshop on long-term finance in 2018 from 7–8 May 2018, in the Dialogue on Constituted bodies and the integration of gender considerations on behalf of the Adaptation Fund Board, and in the Technical Expert Meeting on Adaptation 2018 from 9–10 May 2018, in Bonn, Germany, in conjunction with the 48th sessions of the SBI (SBI 48) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 48) and the fifth part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA 1-5).

48. The secretariat, a dedicated team of officials providing secretariat services to the Board, is hosted by the GEF secretariat, which promotes exchange of information and knowledge, and provision of cross-support, when needed. The secretariat also participated, as an observer, in the sixth GEF Assembly and associated meetings in Da Nang, Vietnam, from 23–29 June 2018, and organized a side-event with the GEF, the GEF Small Grants Programme and the United Nations Development Programme (UNDP).

49. The secretariats of the GCF and GEF participated in the annual seminar for national implementing entities (NIEs) of the Adaptation Fund that took place in Puntarenas Province, Costa Rica from 26–28 July 2017.

50. In 2015, the Board had considered establishing an operational linkage between the Fund and the GCF for channelling resources for adaptation, and identified two options:

- (a) Seeking accreditation as a financial intermediary with the GCF;
- (b) Entering into a memorandum of understanding or an ad hoc agreement with the GCF.

51. The Board had also considered how to enhance complementarity with the GCF through concrete activities. Following mandate given by the Board, the Chair of the Board had started, in May 2016, a dialogue with one of the Co-Chairs of the Board of the GCF on potential linkages between the two funds, and the secretariat had discussed with the GCF secretariat concrete activities to initiate collaboration, including, but not limited to, the following areas: readiness support, including by organizing joint activities such as workshops or seminars in regions; results-based management; accreditation; and project/programme identification.

52. During the reporting period, following the Adaptation Fund Board decision B.28/38, the Fund's fast-track re-accreditation process has been applied to the implementing entities which were accredited with the GCF within four years before the submission of the re-accreditation application to the Fund. At its 30th meeting, the Board requested the secretariat to initiate the process toward accreditation with the GCF, to prepare an

²⁶ Decision 2/CMP.10, para. 6.

assessment of options for fund-to-fund arrangements, as described in pillar 1 in the GCF operational framework for complementarity and coherence, as contained in document FCF/B.17/08, for consideration by the Board at its thirty-first meeting, to prepare an information document on the comparative advantages of the Adaptation Fund for the purposes of board-level discussions between the two funds on fund-to-fund arrangements, including joint financing and the decision-making process, and to pursue discussions with the GCF secretariat on the concrete activities in the area of complementarity and coherence identified by the Board in decision B.26/26. The Board also decided to request the Chair and Vice-Chair, assisted by the secretariat, to attend ‘an annual dialogue’ to be initiated by the GCF in order to enhance complementarity and to actively engage in a structured conversation with the GCF board. During the twenty-third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP23) in Bonn on 14 November 2017, the Chair and Vice-Chair of the Adaptation Fund attended the first Annual Dialogue held by the GCF with representatives of the respective Boards and the secretariats of climate finance delivery channels (Adaptation Fund, Global Environment Facility (GEF), Climate Investment Funds (CIFs), and GCF). As a follow-up to the first annual dialogue, the secretariat held a Technical Workshop with the GCF secretariat in February 2018.

53. CMP 13 noted the efforts made by the Adaptation Fund Board in enhancing cooperation with other funds to ensure coherence and complementarity and encouraged the Board to continue the efforts to enhance complementarity and coherence with other funds both under and outside the Convention.²⁷

54. At its 31st meeting, the Board discussed further potential linkages with the GCF, and invited a representative of the GCF secretariat to address the Board to explain the meaning of fund-to-fund arrangement under the first pillar of the operational framework on complementarity and coherence with other climate finance delivery channels. The representative of the GCF secretariat said that the GCF Board had adopted an operational framework that contained four pillars to ensure the complementarity and coherence with other climate finance delivery channels. The first pillar was board-level discussions on fund-to-fund arrangements; the second was enhanced complementarity between the funds at the activity level; and the third was the promotion of coherence between funds at the national programming level; while the fourth involved complementarity at the level of delivery of climate finance through an established dialogue between funds. When the framework was adopted, the expectation had been that the different funds should have some experience working together before putting in place fund-to-fund arrangements under the first pillar. In that way, they would have explored what could be done jointly before undertaking any new arrangements or memorandums of understanding (MOUs). The secretariat of the GCF would report to its Board on what activities had been realized, at which time the Board would decide on what arrangements, if any, might be required to advance the issue of complementarity and coherence. While the agenda of the upcoming GCF Board meeting had not yet been finalized, the Board was expected to consider the issue of complementarity and coherence. A standardized MOU was not expected to be developed as each fund was unique. It was not for the secretariat to say what any MOU might contain or whether a fund-to-fund arrangement would include the possibility of accreditation.

55. At its 31st meeting, recalling decision B.30/43 and taking into consideration the subsequent correspondence between the secretariats of the Adaptation Fund Board and the GCF, the Board decided to request the Chair and Vice-Chair, assisted by the secretariat to continue pursuing active engagement with the Green Climate Fund (GCF) Board through its co-chairs, with a view to exploring concrete steps to enhance complementarity and coherence, including at the forty-eighth sessions of the subsidiary bodies to the United Nations Framework Convention on Climate Change, in May 2018, in Bonn, Germany. The Board also decided to request the secretariat to continue discussions with the GCF secretariat to advance the collaborative activities identified at the Annual Dialogue in November 2017 and the Technical Workshop in February 2018 in order to enhance complementarity between the two Funds and to continue the process toward accreditation with the GCF, including by seeking further information from the GCF on options for fund-to-fund arrangements, as described in pillar 1 in the GCF operational framework for complementarity and coherence, as contained in document GCF/B.17/08. Accordingly, the Chair and Vice-Chair of the Fund, supported by the

²⁷ Decision 2/CMP.13

secretariat, held a bilateral meeting with the Co-Chairs of the GCF at the forty-eighth session of the subsidiary bodies to the United Nations Framework Convention on Climate Change, in May 2018, in Bonn, Germany, and discussed possible concrete steps to enhance complementarity and coherence between the two funds. The secretariat has continued discussion with the GCF secretariat to advance the collaborative activities identified at the Annual Dialogue in November 2017 and the Technical Workshop in February 2018 and sought further information from the GCF on options for fund-to-fund arrangements, as described in pillar 1 in the GCF operational framework for complementarity and coherence. In the context of the fund-to-fund arrangements, the Board had extensive discussions, including on the option of seeking accreditation as a financial intermediary with the GCF.

56. Further, as part of its engagement with the GCF, the secretariat participated in a number of events organized by the GCF: (i) a Technical Expert Workshop on Climate Adaptation Finance held on 5–6 March 2018 in Songdo, Republic of Korea, to collect expert views on climate adaptation practices and approaches to adaptation finance, with the relevant implications and recommendations from the workshop to be used as inputs for the GCF Secretariat's proposal for guidance on the approach and scope for providing support to adaptation activities; (ii) the First GCF Structured Dialogue with Latin America from 5 to 7 March in Bogota, Colombia), the objective of which was to develop a roadmap for articulating regional priorities and opportunities in the engagement with the GCF; (iii) the GCF Empowering Direct Access Workshop from 29 May – 1 June 2018 in Songdo, Republic of Korea, aimed at addressing the capacity needs/challenges of all direct access entities and to help them facilitate in developing their pipeline projects.

Financing for regional projects

57. At its 25th meeting in April 2015, the Board approved a Pilot Programme on Regional Projects and Programmes (hereinafter referred to the pilot programme) up to a cap of USD 30 million.²⁸ The overall goal of the pilot programme was to pilot different regional approaches to implementing concrete climate change adaptation projects in vulnerable developing countries, and to compile the lessons learned. Such lessons learned would inform the Board's later decisions on whether to make such a modality a more regular part of the Fund operations. The pilot programme was to be outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) instituted by the Board at its 12th meeting²⁹ and of the USD 10 million country cap put in place by the Board at its 13th meeting.^{30,31}

58. The call for regional proposals was launched on 5 May 2015. The interest toward the programme has remained high, with proposals amounting to USD 188 million submitted to the two Board meetings during the first year and to USD 101.6 million during the reporting period. At its 28th meeting, the Board discussed the future of the pilot programme, based on a proposal developed by the secretariat and following discussion by the PPRC. The Board decided that funding for regional projects and programmes will be provided beyond the pilot programme, hence opening a permanent funding window in the Fund with a funding envelope to be approved on an annual basis,³² starting with USD 30 million set aside during fiscal year 2018 (1 July 2017 – 30 June 2018).³³ The Board at its 31st meeting decided to include in its work programme for fiscal year 2019 (1 July 2018 – 30 June 2019) provision of an amount of US\$ 60 million for the funding of regional project and programme proposals as follows: (i) up to US\$ 59 million to be used for funding regional project and programme proposals in the two categories of regional projects and programmes: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million; and (ii) up to US\$ 1 million for funding project formulation grant requests for preparing regional project and programme concepts or fully-developed project and programme documents.

Readiness programme for climate finance

²⁸ Adaptation Fund Board decision B.25/28.

²⁹ Adaptation Fund Board decision B.12/9

³⁰ Adaptation Fund Board decision B.13/23

³¹ Adaptation Fund Board document AFB/B.25/6/Rev.2.

³² Adaptation Fund Board decision B.28/1

³³ Adaptation Fund Board decision B.29/4

59. During the reporting period the Board approved the updated Operational Policies and Guidelines (OPG) of the Fund which included procedures related to the readiness programme to enable transitioning of the programme into a longer-term and permanent feature of the Fund³⁴. The Board also approved an updated results framework for the readiness programme so that the programme could be aligned with the Fund's strategic results framework, knowledge management strategy, evaluation framework, and its performance monitoring and reporting system.³⁵ The readiness activities are fully incorporated in the medium-term strategy and its implementation plan described above.

60. Over the reporting period, the following activities have been carried out:

- a) A fourth NIE Seminar (26-28 July 2017, Puntarenas Province, Costa Rica)³⁶;
- b) A regional climate finance readiness workshop for the Caribbean (24-25 October 2017, Barbados) in partnership with the Caribbean Development Bank³⁷;
- c) A fifth and sixth climate finance webinars (7 December 2017 and 19 April 2018, respectively) with the topic for the fifth webinar as "Critical Paths in the Evaluation of Adaptation Projects and Programmes", and the topic for the sixth webinar as "Mainstreaming of Environmental, Social, and Gender Issues in Adaptation Projects and Programmes"³⁸;
- d) Financing the piloting of an online platform for the Fund's NIE community of practice in partnership with the World Resources Institute to support NIE capacity building through more regular and enhanced dialogue and exchange³⁹;
- e) The approval of three South-South cooperation grants to support developing countries in identifying suitable national institutions as NIE candidates and in preparing and submitting an application for accreditation, in Côte d'Ivoire implemented by the Senegalese NIE *Centre de Suivi Ecologique* (CSE), and in Dominica and the Maldives implemented by the NIE for Antigua & Barbuda, the Department of Environment (DoE)⁴⁰;
- f) The approval of a technical assistance grant to support the NIE for Morocco, *Agence pour le Développement Agricole* (ADA), to strengthen its capability to address and manage environmental and social risks and gender considerations in adaptation projects and programmes and at the institutional level⁴¹;
- g) A workshop under the theme of the readiness support package to further enhance understanding of the challenges and gaps developing countries face in accessing the Fund's resources and to enhance the capacity of accredited NIEs of the Fund to provide peer support and address such issues through the Fund's South-South cooperation grant mechanism. The workshop was held in partnership with Kenya's NIE, the National Environment Management Authority (NEMA) from 4–6 April 2018 in Nairobi, Kenya.⁴²

Overall evaluation of the Adaptation Fund

61. During the reporting period, phase II of the overall evaluation of the Fund (assessment of the Fund's portfolio of projects/programmes) was implemented and finalized.⁴³ The evaluation report concluded that the

³⁴ Adaptation Fund Board decision B.2309/4244

³⁵ Adaptation Fund Board decision B.30/45

³⁶ Seminar report available at <https://www.adaptation-fund.org/readiness/news-seminars/>.

³⁷ *Idem*.

³⁸ *Idem*.

³⁹ directaccesscommunity.slack.com

⁴⁰ Decisions B.30-31/10 through B.30-31/12

⁴¹ Decision B.30-31/9

⁴² <https://www.adaptation-fund.org/readiness/news-seminars/>

⁴³ http://www.adaptation-fund.org/wp-content/uploads/2018/06/AF_Phase2_Eval_4June.pdf

Adaptation Fund remains relevant to the global climate finance architecture through its various activities and that it specifically adds value to the global climate finance architecture in three aspects: focusing exclusively on adaptation, supporting concrete activities and implementing direct access. The report also highlights that the portfolio is in alignment with other climate funds and global commitments on climate finance and international development, which provides a strong basis for potential collaboration and coordination. It further concludes that the Fund is making progress toward all seven outcome areas of its Strategic Results Framework and that its projects contribute to strengthening resilience at national and/or local levels.

62. During the reporting period the Board approved the re-establishment of a long-term evaluation function for the Fund, to ensure the independent implementation of the Fund's evaluation framework, through a Technical Evaluation Reference Group (AF-TERG), comprised of an independent group of experts in evaluation who are all functionally independent of the secretariat, accountable to the Board.⁴⁴ A small AF-TERG secretariat composed of a full-time dedicated staff position (Evaluation Officer) supported by a part-time consultant and Secretariat administrative staff as needed will provide support to the AF-TERG. The recruitment of the members of the AF-TERG and its secretariat staff is underway.

Communications

63. The Board increased its efforts to disseminate information on the Fund's work during the reporting period, including 21 news releases and two project stories, which were published in multiple languages, as well as three electronic newsletters and a comprehensive high-profile article written for an external website.

64. The reporting period marked the 10th anniversary of launching the Fund's work and establishing the Board at CMP 3 in Bali, Indonesia. For the occasion, the Board issued a special 10th anniversary publication that highlighted, through 56 stories in web and print versions, the Fund's projects, programmes, partners and achievements. The 10th anniversary event hosted together with the City of Bonn, took place in the Old Town Hall of Bonn, with the Chair of the Board moderating it, and the Vice-Chair delivering a keynote address. Distinguished speakers joined the 10th event, including the Mayor of Bonn, Mr. Ashok Sridharan, the German Federal Minister for the Environment, Ms. Barbara Hendricks, the CEO and Chairperson of the GEF, Ms. Naoko Ishii, the UNFCCC Chief of Staff, Mr. Daniele Violetti, the Deputy Permanent Representative of Belize to the UN, Ambassador, Ms. Janine Felson, and Coordinator, CSE of Senegal, Mr. Déthié Soumaré Ndiaye. The event also featured a multimedia exhibit on the Fund's work. A micro-website was created for the anniversary, which received nearly 6,000 views and helped raise awareness of the Fund's work and value, while sharing inspirational quotes from climate change leaders and AF partners.

65. Another important theme in communications by the Board during the reporting period was the medium-term strategy, which was adopted in October 2017. The strategy and its key pillars and cross-cutting themes were promoted through videos, project stories, brochures, posters and news releases.

66. Over 280 media stories about the Fund appeared in press around the world, with large numbers published in the United States and Germany. Most of the stories were in English (258), while German (9) and French (7) stories were included as well. About 72 media stories came out in November 2017 alone coinciding with COP 23 and the Fund's 10th Anniversary event, with 97% being positive or neutral. On social media, over the year the Secretariat put out 430 tweets, received 1,895 new Twitter followers, and about 27,526 mentions or profile visits (an increase of over 4,500 from the previous year). Engagement increased on other channels, too, with 367 Facebook posts, 91 LinkedIn posts and 10 new Flickr photo albums. Eight new videos were created, covering the Fund's work and 10th Anniversary themes, receiving 814 views and countless more through social media shares and exhibit views. For online communication, micro-websites were created also for the Fund's COP 23 activities, goals and results, the Bonn Climate Change Conference⁴⁵ and the Adaptation Futures 2018 conference⁴⁶. The Fund's active web presence led to a 19 per cent increase in unique visitors to the website and 23 per cent more page views, over the previous reporting period.

⁴⁴ Adaptation Fund Board decision B.30/38

⁴⁵ <https://www.adaptation-fund.org/cop23/>

⁴⁶ <https://www.adaptation-fund.org/adaptation-fund-at-adaptation-futures-2018/>

67. New brochures on the Fund's portfolio and themes such as direct access, support to SIDS, gender, environmental and social policies, and urban adaptation were created, among others. Briefing notes, posters, and special commemorative 10th anniversary materials were created and disseminated. In promotion of the Fund's work, engagement was also enhanced with implementing entities and other partners and stakeholders.

68. Apart from the anniversary event, multimedia exhibits were organized at the United Nations Day in Bonn on 14 October 2017, COP 23, the anniversary event and the Adaptation Futures 2018 conference to showcase projects. Numerous high-profile side events were with featured speakers from NIEs, civil society organizations, and Party representatives at COP 23, the Bonn Climate Change Conference in May 2018 and other key climate conferences. The Board also held its first press conference at COP 23 on its SIDS portfolio. The Board also organized, in partnership with the *Institut de la Francophonie pour le développement durable* (IFDD) a French-language side event for Francophone countries on the topic of regional adaptation projects in the margins of COP 23 on 7 November 2017 at the Francophonie Pavilion.

Participation in Meetings and Events

69. Board members and the secretariat participated in a number of events to showcase the Fund's experience, which included field visits to project sites in Colombia, Cambodia and South Africa. In addition to the Board meetings, Accreditation Panel meetings and readiness related events (as described above) organized by the Board and the secretariat themselves, the secretariat and the Board participated in the 2017 Forum of the Standing Committee on Finance: "Mobilizing finance for climate resilient infrastructure" organized by the UNFCCC (6–7 September 2017) in Rabat, Morocco); Climate Chance (Local Climate Actors) World Summit 2017 (11–13 September 2017) in Agadir, Morocco); the Climate Week NYC 2017 (18–24 September 2017, New York City, the United States); the United Nations Day (14 October 2017, Bonn, Germany); the Pre-COP 23 Partnership Days (16–17 October 2017, Nadi, Fiji); the United Nations Special Rapporteur on Human Rights and the Environment and the Office of the High Commissioner for Human Rights (OHCHR): Expert Seminar on Best Practices, Lessons Learned and the Way Forward with regard to Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy and Sustainable Environment (17–18 October 2017, Geneva, Switzerland); the COP 23 and the 13th session of the CMP (CMP 13, 6–17 November 2017, Bonn, Germany); the National Adviser Training Session hosted by the Climate Finance Hub of the Commonwealth Secretariat (21–22 February 2018, Port Louis, Mauritius); the CitiesIPCC Cities and Climate Change Science Conference (5–7 March 2018, Edmonton, Canada); The First GCF Structured Dialogue with Latin America (5–7 March 2018, Bogota, Colombia); the 17th, 18th and 19th meetings of the GCF Board; the 13th meeting of the Adaptation Committee (27 February – 1 March 2018, Bonn); the interactive workshop with the climate funds "Climate Financing for SIDS and LDCs: Challenges and Opportunities" (19 March 2018, Permanent Mission of Belgium to the UN, New York, the United States); the SBI 48 / SBSTA 48 / APA 1-5 Bonn Climate Change Conference (30 April – 10 May 2018, Bonn, Germany); the Nordic Workshop "Climate Change Adaptation and Loss & Damage after Paris – Bridging Different Levels of Governance" (13–15 May 2018, Dragsholm, Denmark); the Adaptation Futures Conference 2018 (18–22 June 2018, Cape Town, South Africa); the ICLEI World Congress 2018 (19–22 June 2018, Montreal, Canada); the Sixth GEF Assembly and Associated Meetings (23–29 June 2018, Da Nang, Vietnam).

Dialogue with civil society organizations

70. The Board, at its 12th meeting, initiated regular dialogue sessions with civil society organizations in order to listen to their proposals, to receive feedback on the issues comprising the Board agenda, and to exchange views. These sessions are part of the Board's agenda.

III. Support to the Adaptation Fund Board for the implementation of its mandate

71. In decision 4/CMP.5, paragraph 9 the CMP encouraged Annex I Parties and international organizations to provide funding to the Adaptation Fund, which will be additional to the shares of the proceeds from clean development mechanism project activities. Further, by decision 6/CMP.7, paragraph 5, the CMP continued to encourage the provision of funding by Annex I Parties and international organizations.

72. At its 22nd meeting the Board approved a fundraising strategy, at its 28th meeting, a revised resource mobilization strategy, and at its 29th meeting, a resource mobilization action plan. The Board held a session of the dialogue with donors in the margins of the COP 23 and CMP 13. Another session is scheduled to take place in the margins of COP 24 and CMP 14 in Katowice.

73. Having successfully met and surpassed its initial fundraising target of USD 100 million for the period 16 March 2012 - 31 December 2013 through contributions by Annex I Parties and their regions, the Board had set a second resource mobilization target of USD 80 million per year for the biennium 1 January 2014 – 31 December 2015. The contributions towards this target from Annex I Parties and their regions amounted to USD 64.4 million for 2014 and USD 74.1 million for 2015. At its 27th meeting in March 2016, the Board had set a third resource mobilization target of USD 80 million per year for the biennium 1 January 2016 – 31 December 2017. In 2016, the contributions towards the target for that year from Annex I Parties and their regions amounted to USD 81.4 million.

74. During the reporting period, in 2017, the Fund received a record amount of USD 95.6 million in contributions surpassing the target for 2017 – from the Governments of the Brussels-Capital Region in Belgium (USD equivalent 0.7 million), Germany (USD equivalent 59.3 million), first time contributor to the Fund, Ireland (USD equivalent 0.4 million), Italy (USD equivalent 8.6 million), Sweden (USD equivalent 22.1 million), and the Walloon Region in Belgium (USD equivalent 4.6 million). The Board would like to express its gratitude to all these governments for their support to the Fund in meeting its 2017 resource mobilization target. The Board also recognizes the support of the Fijian Presidency of COP 23/CMP 13 in its resource mobilization efforts, the Fund secretariat, the trustee and the UNFCCC secretariat.

75. The resource mobilization efforts by the Board were implemented with support of the resource mobilization task force, which was composed of Ms. Sylviane Bilgischer (Belgium, Western European and other States), Ms. Patience Dampney (Ghana, non-Annex I Parties), Mr. Marc-Antoine Martin (France, Annex I Parties), Mr. Antonio Navarra (Italy, Western European and other States), Mr. Lucas Di Pietro Paolo (Argentina, Latin American and Caribbean States), Mr. Aram Ter-Zakaryan (Armenia, Eastern European States) and Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties).

76. The Fund had introduced, in 2012, an opportunity for the private sector and individuals, to make donations to the Fund through an online channel established in collaboration with the United Nations Foundation (UNF). During the reporting period, the Fund's webpage featuring the donation possibility was revised, and that possibility was promoted periodically through social media alongside the Fund's resource mobilization goals and results.

77. At its 31st meeting in March 2018, after hearing a report on the outcome of a meeting of the resource mobilization task force held in the margins of the that Board meeting, and a recommendation contained in the report, the Board decided to set a new resource mobilization target of USD 90 million for the biennium 1 January 2018 – 31 December 2019⁴⁷. The Task Force had discussed the possibility of mobilizing additional funding around special themes or topics such as the innovation pillar of the Fund's medium-term strategy. It had reviewed ongoing resource mobilization activities, including: outreach to sub-national entities, where the ICLEI - Local Governments for Sustainability network had been actively promoting donations to the Fund through a private donation link on their website in advance of the Resilient Cities Congress organized on 24–26 April 2018 in Bonn, Germany; renewal of the framework agreement with the UNF for an additional two years to facilitate the online donation possibility; and outreach to new contributors.

78. The full list of contributors to the Fund together with the actual contribution amounts is contained in Annex VIII, section "CER Sales Proceeds and Donations".

79. In accordance with decision 1/CMP.3, paragraph 18, the dedicated team of officials at the Fund secretariat comprises ten professional staff members; namely the secretariat's Manager, two Senior Climate Change Specialists, two Operations Officers (Accreditation and Readiness Coordinator), a Communications Officer, a

⁴⁷ Adaptation Fund Board decision B.31/31

Knowledge Management Officer, two Operations Analysts (Legal/accreditation and Results-based management). It also comprised an Operations Associate, a Senior Programme Assistant, and three Short Term Consultants (communications and support to operations). As at the time of this report, the Operations Associate position was being converted into a Financial Analyst position, and recruitment for a new position of Evaluation Officer was about to start.

IV. The Adaptation Fund and the Paris Agreement

80. By decision 1/CP.21 adopting the Paris Agreement (the Agreement), the COP recognized that the Fund may serve the Agreement, subject to relevant decisions by the CMP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).⁴⁸ The COP further invited the CMP to consider this issue and make a recommendation at CMA 1.⁴⁹ CMP 11 started the process by recommending that the CMA 1 consider that the Fund may serve the Paris Agreement. The CMP further invited COP 22 to request the Ad Hoc Working Group on the Paris Agreement (APA) to undertake the necessary preparatory work concerning this issue and to forward a recommendation to the CMP for its consideration and adoption no later than at CMP 15.⁵⁰ These provisions established a road map to consider making of the Fund one of the institutions serving the Agreement.

81. By decision 1/CMA. 1, the CMA 1 decided that the Fund should serve the Paris Agreement, following and consistent with decisions to be taken at the third part of the first session of the CMA (CMA 1-3), to be convened in conjunction with COP 24, and by the CMP that address the governance and institutional arrangements, safeguards and operating modality of the Fund.⁵¹

82. By decision 1/CP.22, the COP requested the APA in its consideration of the necessary preparatory work on the Fund to address the governance and institutional arrangements, safeguards and operating modalities for the Fund to serve the Paris Agreement; and invited Parties to submit, by 31 March 2017, their views on the governance and institutional arrangements, safeguards and operating modalities for the Fund to serve the Paris Agreement.⁵²

83. By decision 1/CMP.13, the CMP decided that the Adaptation Fund shall serve the Paris Agreement subject to and consistent with decisions to be taken at the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (December 2018), in line with decision 1/CMA.1, paragraph 11.⁵³ By the same decision, the CMP also decided that it will consider whether the Adaptation Fund shall serve the Paris Agreement exclusively, under the guidance of and accountable to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, following a recommendation from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifteenth session (November 2019).⁵⁴

84. The Board at its 31st meeting considered this matter under its agenda item 11, *Issues arising from the twenty-third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 23), the thirteenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 13), and the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 1)*. The Board took note of the matter but did not make substantial decisions pursuant to it.⁵⁵

⁴⁸ Decision 1/CP.21, para. 59.

⁴⁹ Decision 1/CP.21, para. 60.

⁵⁰ Decision 1/CMP.11, paras. 8 and 9.

⁵¹ Decision 1/CMA.1, para 11.

⁵² Decision 1/CP.22, paras 14 and 15.

⁵³ Decision 1/CMP.13, para. 12.

⁵⁴ Decision 1/CMP.13, para. 13.

⁵⁵ Report of the 31st meeting of the Adaptation Fund Board (Adaptation Fund Board document AFB/B.31/8), paras. 84–85.

Annex I

Added value of the Adaptation Fund for the operationalization of the Paris Agreement: information relevant for the process outlined in paragraphs 59 and 60 of decision 1/CP.21, paragraph 14 of decision 1/CP.22, paragraph 11 of decision 1/CMA.1, paragraph 9 of decision 1/CMP.11 and paragraphs 12 and 13 of decision 1/CMP.13.

1. When adopting the Paris Agreement at its 21st session, the Conference of the Parties (COP) recognized that the Adaptation Fund (hereinafter referred to as the Fund) may serve the Paris Agreement subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) (decision 1/CP.21).¹ It further invited the CMP to consider this issue and make a recommendation at CMA 1.² This mandate established a road map for the Parties to consider making the Fund one of the institutions serving the Paris Agreement.

2. The relevant and necessary process started already in Paris, and the steady progress in fulfilling this mandate has been made by the Parties (please see Box 1 below for details). Here, the Adaptation Fund Board (hereinafter referred to as the Board) presents updates on the added value of the Adaptation Fund for the operationalization of the Paris Agreement that the CMP may wish to consider forwarding to the COP in order to inform the deliberations of the APA on this matter, as per paragraph 9 of decision 1/CMP.11, paragraph 14 of decision 2/CMP.12 and paragraph 14 of decision 1/CMP.13.

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

3. The Paris Agreement, in its Article 2, included adaptation and finance as key components of the global response to climate change, alongside mitigation. It also emphasized in its Article 7 that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration of vulnerable groups, communities and ecosystems. These components are supported by capacity-building, as per Article 11 of the Paris Agreement. The Fund, as a fully operational financial mechanism for concrete adaptation projects and programmes that also offers targeted readiness support for developing countries' national entities to access climate change adaptation finance, can contribute to advancing the operationalization of the Paris Agreement. The Fund is already contributing to closing the adaptation gap by funding its portfolio. The information below elaborates on the added value of the Fund for the operationalization of the Paris Agreement and for the contribution towards the objective of the Paris Agreement, as outlined in Article 2 and relevant Articles on adaptation, finance and capacity-building.

Adaptation

4. The Paris Agreement recognized adaptation as a global challenge and established a

¹ Decision 1/CP.21, paragraph 59.

² Decision 1/CP.21, paragraph 60.

global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change.³ It also recognized the importance of support and taking into account the needs of developing countries.⁴ The Paris Agreement established a “global stocktake” process to assess the collective progress made towards achieving the purpose of the Paris Agreement, including adaptation and finance (means of implementation).⁵

5. During 2015 and 2016 the total of 165 intended nationally determined contributions (INDCs) were submitted to the UNFCCC secretariat, and 137 of which included an adaptation component highlighting their common determination to strengthen national adaptation efforts in the context of the Paris Agreement. Some stressed that adaptation is their main priority for addressing climate change, in particular as they see it as strongly linked to national development, sustainability and security. Many Parties underlined the need for international finance, technology transfer and capacity-building support for adaptation, in line with the Convention. Decision 1/CP.21 stipulates that the INDC of each Party that ratifies the Paris Agreement will be considered an NDC upon ratification, unless the Party notifies the secretariat otherwise.⁶ As at 1 October 2017, the NDC registry indicated that the NDCs of 108 Parties contained adaptation-related information, including the countries’ adaptation efforts and their policies’ link to adaptation with sustainable development, adaptation-related national laws, policies and development frameworks, description of the national institutional arrangements relevant to adaptation, information related to costs of adaptation and adaptation needs.⁷

6. The Fund is a fully operational financial mechanism dedicated to supporting concrete and tangible interventions to address climate change adaptation and to build resilience. It has allocated USD 476 million to 73 concrete adaptation projects/programmes in 59 countries, including for 13 small island developing States (SIDS) and 18 least developed countries (LDCs). The portfolio of the Fund benefits 5.6 million direct beneficiaries in the most vulnerable communities in developing countries. It covers most sectors related to adaptation, namely coastal zone management, sustainable agriculture, water management, urban and rural development, and disaster risk reduction. The projects/programmes funded are of a value up to USD 10 million,⁸ which is replicable and scalable with funding from other sources. Eight projects/programmes funded by the Fund in Georgia, Honduras, Maldives, Nicaragua, Pakistan, Senegal, Solomon Islands and Turkmenistan, have already achieved completion, and 30 have completed their midterm evaluation.

7. The Fund provides country-driven access to its resources through its direct access modality, which also contributes to building in-country institutional capacity for the overall management of projects/programmes during the process. Direct access represents 34 per cent of the Fund portfolio. 19 national implementing entities (NIEs) are currently implementing a total of 25 projects funded by the Fund, and one has completed its first project (*Centre de Suivi Ecologique*, Senegal).

8. The Fund project review cycle is swift and has been lauded by the second phase of the overall evaluation of the Fund as efficient.⁹ It can be completed in nine weeks. The Fund has all its policies and procedures in place, including operational policies and guidelines for Parties to access its funding, a zero-tolerance policy on fraud and

³ Paris Agreement, Article 7.

⁴ *Idem*.

⁵ Paris Agreement, Article 14, paragraph 1.

⁶ Decision 1/CP.21, paragraph 22.

⁷ FCCC/CP/2016/2, paragraphs 59–74 and FCCP/TP/2017/7, paragraphs 6-7, 12, 21-42.

⁸ Regional project up to USD 14 million.

⁹ Tango International (2018): Independent Evaluation of the Adaptation Fund. Final report of the phase II of the overall evaluation. Available at: <http://www.adaptation-fund.org/wp-content/uploads/2018/06/AF_Phase2_Eval_4June.pdf>.

corruption, a risk management framework, an environmental and social policy, a gender policy and action plan, and a number of guidance documents to facilitate compliance with the policies mentioned above. All these documents are available at the Fund's website.¹⁰

9. The Board decided to carry out an overall evaluation of the Fund in two stages. The first stage was completed in 2015. It highlighted that the modality that the Fund pioneered in for more than six years (the direct access modality) was a major innovation in climate finance and is appropriate for meeting country needs, and that such a modality can be a highly relevant, effective and efficient means of challenging adaptation finance. Second, the evaluation outlined that the Fund's design and operational processes are efficient and largely coherent with UNFCCC guidance and national adaptation priorities, and that the evolution of its operational processes has been appropriate, demonstrating its commitment to continuous improvement of its operations. Third, the evaluation found that the Fund allowed countries to advance important measures at national and subnational levels, with links to national policymaking. In addition, the evaluation found that the policies adopted by the Fund created a solid foundation for operational success. In terms of accreditation, the evaluation concluded that the Fund has developed thorough and reasonable accreditation requirements and that it continues to improve its processes. For the project/programme review cycle, a conclusion was that the Board secretariat and the Project and Programme Review Committee had developed an efficient project/programme proposal review process. Finally, the Fund resource allocation process was assessed as efficient.

10. The second phase of the overall evaluation was completed in June 2018. The evaluation report concluded that the Fund remains relevant to the global climate finance architecture through its various activities and that it specifically adds value to the global climate finance architecture in three aspects: focusing exclusively on adaptation, supporting concrete activities and implementing direct access. The evaluation report also highlights that the portfolio is in alignment with other climate funds and global commitments on climate finance and international development, which provides a strong basis for potential collaboration and coordination. It further concludes that the Fund is making progress toward all seven outcome areas of its Strategic Results Framework and that its projects contribute to strengthening resilience at national and/or local levels.¹¹

11. Since the Fund became operational, it has been crucial for the Board to consider the environmental and social aspects of the funded projects. The Strategic Priorities, Policies, and Guidelines of the Adaptation Fund, adopted by the CMP in 2008 through decision 1/CMP.4, state "that in assessing project and programme proposals, the Board shall give particular attention to ... [e]conomic, social and environmental benefits from the projects [and] [m]eeting national technical standards, where applicable ...".¹² Accordingly, the requirement of consideration of environmental and social aspects was incorporated in the accreditation¹³ and project review¹⁴ processes. In 2013, the Board further enhanced the management of environmental and social risks by adopting a forward-thinking and strong environmental and social policy (ESP)¹⁵, which requires project proponents to screen their project concepts against 15 environmental and social principles which include, *inter alia*, promoting human rights and gender equality, protecting natural habitats, preserving biodiversity, empowering vulnerable groups such as indigenous communities, and preventing pollution. In accordance with the ESP,

¹⁰ <<https://www.adaptation-fund.org/documents-publications/>>.

¹¹ *Idem*.

¹² Decision 1/CMP.4, Annex IV, para. 15.

¹³ Report of the seventh meeting of the Adaptation Fund Board (Adaptation Fund Board document AFB/B.7/13/Rev.1), Annex III: Fiduciary Risk Management Standards to be Met by Implementing Entities.

¹⁴ Report of the seventh meeting of the Adaptation Fund Board (Adaptation Fund Board document AFB/B.7/13/Rev.1), Annex III: Adaptation Fund Project Review Criteria.

¹⁵ Adaptation Fund Board decision B.22/23.

project proponents are required to conduct relevant assessments of environmental and social impacts, and to prepare corresponding management plans.¹⁶ Since October 2013, the ESP is also incorporated into the accreditation process of implementing entities, where applicants have to demonstrate their commitment and capacity to comply with requirements of the policy (e.g. screening of environmental and social risks, developing environmental and social management plan(s), monitoring, reporting and evaluation), and to have in place a mechanism to address complaints about environmental and social harms.¹⁷ The Board had also developed guidelines for implementing entities to comply with the ESP¹⁸. Although evidence of the results of the ESP in projects and programmes approved following its launch in 2014 is still limited, the second phase of the overall evaluation of the Fund found that the Fund's support to implementing entities to systematically apply the ESP is yielding good results, and the majority of the implementing entity respondents to an e-survey conducted for the evaluation agreed or strongly agreed that Fund projects enhanced local and national actors' capacity to address environment and social safeguards in project implementation.¹⁹ The Fund's ESP has also been praised by the United Nations Special Rapporteur for Human Rights and the Environment, in his letter to the SBSTA, as a potential model for strong safeguards to be followed by a sustainable development mechanism called for in the Paris Agreement.²⁰

12. While the ESP has, since its inception, included *gender equity and women's empowerment*²¹ as one of the 15 principles according to which all projects must be screened, in 2016, the Board has further enhanced its efforts to promote gender-responsive adaptation actions taking into considerations of vulnerable groups, communities and ecosystems by adopting the Fund's gender policy and action plan. The Fund's gender policy and action plan is aimed at mainstreaming equal access to all Fund projects and programmes among women and men, and building their resilience and capability to adapt to climate change impacts. The Gender Policy ensures that equal rights, responsibilities, and opportunities for women and men, equal consideration of their respective interests, vulnerabilities, needs and priorities are considered during the project cycle. It also promotes women's participation and engagement in the decision-making process in planning how to adapt to climate change. Guidelines for compliance with the Gender Policy²² are also available for implementing entity use.

13. CMP 13, in its decision on the Third Review of the Adaptation Fund, "welcome[d] the implementation of mandatory compliance for implementing entities with the Adaptation Fund's environmental and social safeguards and gender policy, which enhances the effectiveness of the Adaptation Fund".²³

14. Considering all of the above, the Fund is already contributing to the

¹⁶ <https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf>

¹⁷ See Adaptation Fund Board decisions B.22/23 and B.27-28/28, annex to decision B.27-28/28 and documents AFB/B.22/5/Add.2 and AFB/B.28/Add.1.

¹⁸ https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf

¹⁹ Tango International (2018): Independent Evaluation of the Adaptation Fund. Final report of the phase II of the overall evaluation, p. 38. Available at: <http://www.adaptation-fund.org/wp-content/uploads/2018/06/AF_Phase2_Eval_4June.pdf>. The evaluation report focused on projects and programmes that were in advanced stages of implementation, and the vast majority of the projects and programmes had been approved before the ESP was rolled out in 2014. This explains why the evaluation had found limited evidence of compliance with the Fund's ESP at project development and reporting.

²⁰ <https://www.ohchr.org/Documents/Issues/Environment/Letter_to_SBSTA_UNFCCC_May2016.pdf>

²¹ Principle 5 of the ESP has been updated from *gender equity and women's empowerment* to *gender equality and women's empowerment*.

²² <https://www.adaptation-fund.org/wp-content/uploads/2017/03/GenderGuidance-Document.pdf>

²³ Decision 2/CMP.13, para. 5.

operationalization of the adaptation objectives of the Paris Agreement and to the implementation of the adaptation actions included in developing country NDCs by funding its portfolio of concrete adaptation projects/programmes.

Finance

15. The provision of scaled-up finance under the Paris Agreement aims to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the LDCs and SIDS.²⁴ The Paris Agreement also recognized the need for public and grant-based resources for adaptation.²⁵ In their NDCs, many Parties underlined the need for international finance for adaptation, in line with the Convention.

16. Further, the Paris Agreement assigned to adaptation a share of the proceeds of the sustainable development mechanism that it established.²⁶ This may be a market mechanism with similarities to the clean development mechanism. The Fund, if it serves the Paris Agreement, may draw resources for sustainable adaptation financing for vulnerable communities in developing countries.²⁷

17. The evaluation of the Fund in its first stage concluded that the Fund is closing the adaptation gap by contributing to funding concrete adaptation projects. The Fund has mobilized over USD 700 million since its inception, and has allocated USD 476 million for concrete adaptation and readiness projects/programmes. Sixty per cent of the amount allocated has already been disbursed. The Board has set up a resource mobilization target of USD 90 million per year for the biennium 2018–2019. The Fund has a system of tried and tested policies and procedures already in place, and its risk management framework has the potential to review the accreditation status at any time during the accreditation period. The measures recommended may include policy/procedure enhancements, and suspension or cancellation of the accreditation. The Board is supported by a secretariat, a dedicated team of 13 people, including the Manager, officers and consultants working at the secretariat's headquarters, hosted within the World Bank as part of the Global Environment Facility on an interim basis.

18. The expertise of the Fund has been shared with other climate funds, and its direct access model has proven replication value for other climate financing organizations. The Board of the Green Climate Fund (GCF) decided to “fast track” accreditation of implementing entities accredited by the Board. As at 30 June 2018, among the GCF 21 NIEs and 11 regional implementing entities (RIEs) accredited, 10 NIEs and 6 RIEs were fast-track accredited by the Board of the GCF due to their prior accreditation with the Fund.²⁸ The Fund is the first climate fund to engage in enhanced direct access. Allowing national institutions to directly access adaptation finance promotes country-owned and -driven processes, with the strengthening of local institutions in project identification and implementation and in resource mobilization.

19. According to stakeholders interviewed during the first phase of the Fund's overall

²⁴ Paris Agreement, Article 9, paragraph 4.

²⁵ *Idem*.

²⁶ Paris Agreement, Article 6, paragraphs 4 and 6.

²⁷ As reflected in the [Informal Note](#) by the Cofacilitators for APA Agenda item 8, Over the course of APA 1.3, a number of Parties suggested the possibility that a share of proceeds from activities under the mechanism referred to in Article 6, paragraph 4, of the Paris Agreement, for which the negotiations are ongoing, and while not prejudging its outcomes, could be a possible source of funding.

²⁸ <http://www.greenclimate.fund/documents/20182/319135/GCF_Completing_a_fast-track_accreditation_application_v3.0_May_2016.pdf/7001d3be-e344-4643-b6e4-5b80e853b279>. <<http://www.greenclimate.fund/partners/accredited-entities>>.

evaluation, it is well suited to “generating timely lessons about ... scalable and replicable action benefiting the most vulnerable communities and social groups”. The independent evaluation team elaborated, concluding that the Fund’s “...design supports pilot activities with substantial potential for scaling up impact at sub-national, national, and regional levels”.²⁹ Such scaling up has already happened particularly with funding from the GCF: as at June 2018, five projects approved by the GCF had been built on the results and lessons learned from prior projects funded by the Adaptation Fund.³⁰ The Board recognized this specific role of the Fund when developing the Medium-term Strategy (MTS) for the Fund 2018-2022, which it adopted in October 2017. Accordingly, the MTS lays out how the Fund will support countries in testing, evaluating, rolling out and scaling up innovative adaptation practices, products and technologies.

20. In addition to contributions by developed countries and subnational governments, the Fund is funded by a share of the proceeds of the clean development mechanism under the Kyoto Protocol. At CMP 8, Parties decided that for the second commitment period of the Kyoto Protocol, the Fund shall be further augmented through a 2 per cent share of the proceeds levied under the joint implementation and emissions trading mechanisms.³¹ The Fund has experience of, and expertise in, monetizing carbon assets for funding adaptation and has the systems in place to continue receiving funding from innovative sources for that. The Fund has proven experience in monetizing carbon credits for funding adaptation through systems that are operational. The Fund has raised USD 199 million from the sale of certified emission reductions since May 2009.

21. It is evident from the record number of project and programme proposals received from vulnerable developing countries in during 2015-2018 that the demand for the Fund’s resources is rapidly increasing. In particular, the number of proposals submitted through NIEs and RIEs has reached new levels as an increasing number of those entities have gained momentum in developing project proposals. As at 30 June 2018, the active pipeline of single-country projects and programmes under development by NIEs, RIEs and MIEs (projects that have been submitted during the latest 12-month period but that were either at the concept stage, or that were at the fully-developed project proposal stage but were found to still require further clarification or amendment and that have therefore not yet been approved) totalled over USD 100 million. Furthermore, the interest towards regional projects and programmes remains high, with three projects having been approved and an active pipeline of proposals (defined as above) amounting to over USD 170 million. This clearly indicates a demand exceeding the available resources.

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

²⁹ Tango International and ODI (2015): Independent Evaluation of the Adaptation Fund, First Phase Evaluation Report.

³⁰ FP003 – “Increasing Resilience of Ecosystems and Communities through Restoration of the Productive Bases of Salinized Lands” (CSE, Senegal), building on “Adaptation to Coastal Erosion in Vulnerable Areas” (CSE, Senegal); FP007 – “Support of Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages” (UNDP, Maldives), building on “Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, Adh. Mahibadhoo and GDh. Gadhdhoo Island” (UNDP, Maldives); FP018 – “Scaling-up of Glacial Lake Outburst Flood Risk Reduction in Northern Pakistan” (UNDP, Pakistan), building on “Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan” (UNDP, Pakistan); FP056 – “Scaling Up Climate Resilient Water Management Practices for Vulnerable Communities in La Mojana” (UNDP, Colombia), building on “Reducing Risk and Vulnerability to Climate Change in the Region of La Depresion Momposina in Colombia” (UNDP, Colombia); and FP068 – “Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia” (UNDP, Georgia), building on “Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia” (UNDP, Georgia).

³¹ Decision 1/CMP.8, paragraphs 20–22.

Capacity-building

23. Capacity-building under the Paris Agreement should enhance the ability of developing countries to take effective climate change action, including adaptation, and facilitate access to climate finance. Capacity-building should be country driven, responsive to national needs and foster country ownership.³²
24. The Fund has a successful track record of building institutional capacity through the direct access modality. This happens throughout the process, from accreditation to implementation and evaluation of nationally designed projects and programmes, as a number of representatives of applicant entities have acknowledged. The report on stage I of the overall evaluation has recognized the Fund as a learning institution.
25. The Fund also offers capacity-building support for accreditation and project development through its readiness programme. The programme supports NIEs in accessing funds for adaptation, including through South–South cooperation, and provides technical assistance grants for environmental and social safeguards and gender considerations.
26. The readiness programme has also contributed to establishing a community of practice among NIE practitioners. This community meets annually to address matters of common interest, to exchange knowledge and lessons learned, and to share experiences. Aside from this NIE gathering, the Fund convenes regional workshops and webinars in partnership with other institutions.
27. Through its direct access modality and readiness programme, the Fund contributes to building the capacity of national institutions in developing countries, in line with Article 11 of the Paris Agreement.
28. Moving forward, the process for the Fund to serve the Paris Agreement will contribute to speeding up the operationalization of the Paris Agreement, including its provisions on adaptation, finance, capacity-building and the sustainable development mechanism.

³² Paris Agreement, Article 11.

Box 1: Steps taken on the roadmap for the Adaptation Fund to serve the Paris Agreement

1. When adopting the Paris Agreement at its 21st session, the Conference of the Parties (COP) recognized that the Adaptation Fund (hereinafter referred to as the Fund) may serve the Paris Agreement subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) (decision 1/CP.21). It further invited the CMP to consider this issue and make a recommendation at CMA 1.²
2. At the eleventh session in Paris in December 2015, CMP invited COP 22 to request the Ad Hoc Working Group on the Paris Agreement (APA) to undertake the necessary preparatory work concerning this issue of the Fund serving the Paris Agreement and to forward a recommendation to the CMP for consideration and adoption no later than at CMP 15.³
3. After the set threshold was achieved on 5 October 2016, the Paris Agreement entered into force on 4 November 2016. At the first session in Marrakech in November 2016, the CMA decided that the Fund *should* serve the Paris Agreement, following and consistent with (i) decisions to be taken at the third part of the CMA 1 (CMA 1.3 to be convened in 2018 in conjunction with the COP 24), and (ii) by the CMP that address the governance and institutional arrangements, safeguards and operating modality of the Adaptation Fund (decision 1/CMA.1).⁴ In addition, by decision 1/CP.22, the COP requested the APA in its consideration of the necessary preparatory work on the Fund to address the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement.⁵ By the same decision, Parties were invited to submit their views on the aforementioned areas. Considering these decisions, the APA, in its resumed session (APA 1.3) held in conjunction with the 46th sessions of the subsidiary bodies from 8-18 May 2016, initiated work on addressing the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement.⁶
4. Over the course of APA 1.3 held in May 2017, Parties identified a list of options and elements in response to the three guiding questions on (i) governance and institutional arrangements to be addressed for the Fund to serve the Paris Agreement; (ii) the operating modalities of the Fund; and (iii) the Fund's safeguards.⁷ In addition, upon the request by APA 1.3, a list of all previous decisions that have been taken on the Adaptation Fund that touch on governance and institutional arrangements, safeguards and operation modalities are compiled and made available on the UNFCCC website.⁸

¹ Decision 1/CP.21, paragraph 59.

² Decision 1/CP.21, paragraph 60.

³ Decision 1/CMP.11, paragraphs 8 and 9.

⁴ Decision 1/CMA.1.

⁵ Decision 1/CP.22, paragraph 14.

⁶ See APA 1.3 conclusions, §16 (Advanced united version) and Informal Note by the Cofacilitators for APA Agenda item 8.

⁷ See Annex I to Informal Note by the Cofacilitators for APA Agenda item 8 at <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreementapa/information-on-apa-agenda-item-8>.

⁸ <http://unfccc.int/bodies/apa/items/10436.php>.

5. At APA 1.4 held in November 2017 Parties resumed discussions on the options and elements identified during APA 1.3. Parties identified a number of questions that may need to be decided “first”: decisions related to guidance, reporting and accountability between the Adaptation Fund and the governing bodies (CMP/CMA). Parties also discussed on options for possible transitional period and CMP and CMA decision sequencing and timing. At its 13th session in Bonn in November 2017, the CMP decided that the Fund *shall* serve the Paris Agreement subject to and consistent with decisions to be taken at the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (December 2018), in line with decision 1/CMA.1, paragraph 11.⁹ The CMP also decides that it will consider whether the Adaptation Fund shall serve the Paris Agreement exclusively, under the guidance of and accountable to the CMA, following a recommendation from the CMA on this matter to the CMP 15 (November 2019).¹⁰
6. At APA 1.5 held in May 2018 Parties generally welcomed the outcomes from the last session in Bonn, in particular decision 1/CMP.13, which decided that the AF shall serve the Paris agreement subject to and consistent with decisions to be taken at CMA 1.3. Parties reflected on a number of possible legal issues related to the preparatory work for the Adaptation Fund to serve the Paris Agreement. There was some convergence regarding elements of draft text and the formulations of options (where possible) on a possible decision from the CMA at COP 24 stating that the Adaptation Fund serves the Paris Agreement: (1) Governance and Institutional arrangements- (a) guidance, accountability and reporting; (b) AF serves the PA and date of serving the PA; (c) exclusivity related to AF serving PA and/or KP; (d) transitional period during which AF will serve and be accountable to both PA and KP; (e) AFB composition and practices; and (f) arrangements for secretariat and trustee services; (2) Operating Modalities- (g) operating modalities -Fund’s operating policies and guidelines and funding priorities; (h) role of AF in the climate international architecture and linkages with other bodies and institutions; (i) eligibility to receive resources from AF; (j) sources of funding; (3) Safeguards- (k) safeguards; (l) work for the AFB and/or other Body.¹¹ Upon the request by Parties, the UNFCCC Legal Affairs Programme provided clarifications on questions relating to decisions for the Adaptation Fund to serve the Paris Agreement.¹²
7. Before APA 1.6, upon request by the APA, the Co-Chairs of APA prepared tools that are additional to and based on the informal notes contained in the annex to the APA 1.5 conclusions including proposals for streamlining the outcome of the APA at APA 1.6 to be held in September 2018.¹³

⁹ Decision 1/CMP.13, paragraph 12.

¹⁰ Idem., paragraph 13.

¹¹ FCCC/APA/2018/L.2/Add.1. All inputs from the Parties and revised final informal note from APA 1.5 are available at <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreementapa/information-on-apa-agenda-item-8>.

¹² Idem., Annex to information note from APA 1.5.

¹³ APA 1.6. Informal.1.Add.6, https://unfccc.int/sites/default/files/resource/APA1.6.Informal.1.Add_.6.pdf

Annex II: Adaptation Fund Board members and alternate members

Term of Office¹	Position	Name	Country	Constituency Represented
March 2017 to March 2019 (Elected at CMP 11, Marrakech in 2016) ²	Member	Mr. Ibila Djibril	Benin	African States
	Alternate Member	Mr. Mohamed Zmerli	Tunisia	African States
	Member	Mr. Albara E. Tawfiq	Saudi Arabia	Asia-Pacific States
	Alternate Member	Mr. Ahmed Waheed	Maldives	Asia-Pacific States
	Member	Ms. Monika Antosik	Poland	Eastern European States
	Alternate Member	Ms. Umayra Taghiyeva	Azerbaijan	Eastern European States
	Member	Mr. Victor Viñas	Dominican Republic	Latin American and Caribbean States
	Alternate Member	Ms. Yadira Gonzales	Cuba	Latin American and Caribbean States
	Member	Mr. Antonio Navarra	Italy	Western European and other States
	Alternate Member	Nomination Pending		Western European and other States
	Member	Mr. Samuela Vakaloloma Lagataki	Fiji	Small island developing States
	Alternate Member	Mr. Paul Elreen Phillip	Grenada	Small island developing States
	Member	Ms. Tove Zetterström-Goldmann	Sweden	Annex I Parties
	Alternate Member	Mr. Marc Antoine Martin	France	Annex I Parties
	March 2018 to March 2020 (Elected at CMP 12, Bonn in 2017)	Member	Mr. David Kaluba	Zambia
Alternate Member		Mr. Admasu Nebebe Gedamu	Ethiopia	African States
Member		Mr. Mirza Shawkat Ali	Bangladesh	Asia-Pacific States
Alternate Member		Mr. Massoud Rezvanian Rahaghi	Iran	Asia-Pacific States
Member		Mr. Aram Ter-Zakaryan	Armenia	Eastern European States
Alternate Member		Ms. Ardiana Sokoli	Albania	Eastern European States
Member		Nomination pending		Latin American and Caribbean States
Alternate Member		Nomination pending		Latin American and Caribbean States
Member		Ms. Barbara Schafer	Germany	Western European and other States
Alternate		Ms. Aida Velasco	Spain	Western European and other States

¹ Members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms (see decision 1/CMP.3). At the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, half of the members of the Adaptation Fund Board, and their alternate members from the same group, shall continue to serve in office for one additional and final year. The terms as members do not count towards the terms as alternate members, and terms as alternate members do not count towards the terms as members (see decision 1/CMP.4).

² The term of office of a member, or an alternate, shall start at the first meeting of the Board in the calendar year following his or her election and shall end immediately before the first meeting of the Board in the calendar year in which the term ends (see decision 4/CMP.5).

Member			
Member	Mr. Chebet Maikut	Uganda	Least developed countries
Alternate Member	Mr. Naresh Sharma	Nepal	Least developed countries
Member	Ms. Sylviane Bilgischer	Belgium	Annex I Parties
Alternate Member	Ms. Yuka Greiler (replaced by Mr. Patrick Sieber)	Switzerland	Annex I Parties
Member	Mr. Charles Mutai	Kenya	Non-Annex I Parties
Alternate Member	Ms. Ding Ding	China	Non-Annex I Parties

Annex III: Approved and actual FY18 and approved FY19 budget of the Board and secretariat, and the trustee

All amounts in US\$		Approved FY18	Actual FY18	Approved FY19
BOARD AND SECRETARIAT				
1	Personnel	2,691,250	2,457,045	2,924,519
2	Travel	402,000	426,807	422,000
3	General operations	375,000	333,937	333,284
4	Meetings	254,800	187,954	250,800
Sub-total secretariat administrative services (a)		3,723,050	3,405,743	3,930,603
5	Overall evaluation (b)	300,000	212,538	0
6	Accreditation (c)	473,780	412,307	546,040
7	Readiness Programme (d)	604,585	523,463	624,550
Sub-total secretariat (a) + (b) + (c) + (d)		5,101,415	4,554,051	5,101,193
EVALUATION FUNCTION				
1	Personnel			301,272
2	Travel			76,000
3	General operations			-
4	Meetings			5,000
Sub-total evaluation function				382,272
TRUSTEE				
1	CER Monetization	180,000	180,000	180,000
2	Financial and Program Management	225,000	224,700	225,000
3	Investment Management	115,000	131,000	131,250
4	Accounting and Reporting	48,000	30,000	30,000
5	Legal Services	20,000	15,000	20,000
6	External Audit	-		
Sub-total trustee		588,000	580,700	586,250
GRAND TOTAL ALL COMPONENTS		5,689,415	5,134,751	6,069,715

Annex IV: List of accredited implementing entities**National Implementing Entities (NIEs)**

1. *Agencia de Cooperación Internacional de Chile* (Chile)
2. *Agencia Nacional de Investigación e Innovación* (Uruguay)
3. Agency for Agricultural Development (Morocco)
4. *Banque Agricole du Niger* (Niger)
5. Bhutan Trust Fund for Environment Management (Bhutan)
6. *Centre de Suivi Ecologique* (Senegal)
7. Department of Environment (Antigua and Barbuda)
8. Desert Research Foundation of Namibia (Namibia)
9. Dominican Institute of Integral Development (Dominican Republic)
10. Environmental Project Implementation Unit (Armenia)
11. *Fundación NATURA* (Panama)
12. *Fundecooperación Para el Desarrollo Sostenible* (Costa Rica)
13. Mexican Institute of Water Technology (Mexico)
14. Micronesia Conservation Trust (Federal States of Micronesia)
15. Ministry of Finance and Economic Development (Ethiopia)
16. Ministry of Finance and Economic Management (Cook Islands)
17. Ministry of Natural Resources (Rwanda)
18. Ministry of Planning and International Cooperation (Jordan)
19. National Bank for Agriculture and Rural Development (India)
20. National Environment Management Council (Tanzania)
21. National Environment Fund (Benin)
22. National Environment Management Authority (Kenya)
23. Partnership for Governance Reform in Indonesia (Indonesia)
24. Peruvian Trust Fund for National Parks and Protected Areas (Peru)
25. Planning Institute of Jamaica (Jamaica)
26. Protected Areas Conservation Trust (Belize)
27. South African National Biodiversity Institute (South Africa)
28. *Unidad para el Cambio Rural* (Argentina)

Multilateral Implementing Entities (MIEs)

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

Regional Implementing Entities (RIEs)

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

(In alphabetical order)

Annex V: Project-related funding decisions by the Adaptation Fund Board between 1 July 2017 and 30 June 2018**Figure 1: Project-related funding decisions made during the intersessional period between the 29th and 30th meetings of the Board (United States Dollars)**

	Country/Title	IE	Document Ref	Requested amount	NIE	RIE	MIE	Approved amount	Decision
1. Projects and Programmes: Single-country									
	Senegal	CSE	AFB/PPRC.20-21/2	1,351,000	1,351,000			1,351,000	Approved
	Guinea-Bissau	BOAD	AFB/PPRC.20-21/3	9,979,000		9,979,000			Not approved
Sub-total				11,330,000	1,351,000	9,979,000	0	1,351,000	
2. Projects and Programmes: Regional									
	Burundi, Kenya, Rwanda, Tanzania, Uganda	UN Environment	AFB/PPRC.20-21/5	5,000,000			5,000,000	5,000,000	Approved
	Colombia, Ecuador	WFP	AFB/PPRC.20-21/6	14,000,000			14,000,000	14,000,000	Approved
Sub-total				19,000,000		0	19,000,000	19,000,000	
3. Project Formulation Grants: Regional Concepts									
	Benin,	OSS	AFB/PPRC.20-	80,000			80,000	80,000	Approved

	Burkina Faso, Niger		21/4/Add.1						
Sub-total				80,000		0	80,000	80,000	
4. Concepts: Regional									
	Benin, Burkina Faso, Niger	OSS	AFB/PPRC.20- 21/4	8,550,000			8,550,000		Endorsed
Sub-total				8,550,000		0	8,550,000		
5. Total (5 = 1 + 2 + 3 + 4)				38,960,000	1,351,000	9,979,000	27,630,000	20,431,000	

**Figure 2: Project-related funding decisions made at the 30th meeting of the Board
(United States Dollars)**

	Country/Title	IE	Document Ref	Requested amount	NIE	RIE	MIE	Approved amount	Decision
1. Projects and Programmes: Single-country									
	Micronesia (F. S. of)	MCT	AFB/PPRC.21/18	970,000	970,000				Not approved
	Cook Islands	MFEM	AFB/PPRC.21/19	2,999,125	2,999,125				Not approved
	Namibia (1)	DRFN	AFB/PPRC.21/20	4,999,386	4,999,386				Not approved
	Namibia (2)	DRFN	AFB/PPRC.21/21	4,999,674	4,999,674			4,999,674	Approved
	Ecuador	CAF	AFB/PPRC.21/22	2,489,373		2,489,373			Not approved
	Guinea Bissau	BOAD	AFB/PPRC.21/23	9,979,000		9,979,000		9,979,000	Approved
	Togo	BOAD	AFB/PPRC.21/24	10,000,000		10,000,000			Not approved
	Fiji	UN-Habitat	AFB/PPRC.21/25	4,235,995			4,235,995	4,235,995	Approved
	Iraq	IFAD	AFB/PPRC.21/26	9,999,660			9,999,660		Not approved
	Solomon Islands	UN-Habitat	AFB/PPRC.21/27	4,395,877			4,395,877	4,395,877	Approved
Sub-total				55,068,090	13,968,185	22,468,373	18,631,532	23,610,546	
2. Project Formulation Grants: Single country									
	Indonesia (1)	Kemitraan	AFB/PPRC.21/5/Add.1	30,000	30,000				Not approved
	Indonesia (2)	Kemitraan	AFB/PPRC.21/6/Add.1	30,000	30,000			30,000	Approved
	Indonesia (3)	Kemitraan	AFB/PPRC.21/7/Add.1	30,000	30,000				Not approved
	Indonesia (4)	Kemitraan	AFB/PPRC.21/8/Add.1	30,000	30,000				Not approved
	Indonesia (5)	Kemitraan	AFB/PPRC.21/9/Add.1	30,000	30,000				Not approved

	Indonesia (6)	Kemitraan	AFB/PPRC.21/10/Add.1	30,000	30,000				Not approved
	Armenia (1)	EPIU	AFB/PPRC.21/11/Add.1	27,000	27,000			27,000	Approved
	Armenia (2)	EPIU	AFB/PPRC.21/12/Add.1	30,000	30,000				Not approved
	Indonesia (7)	Kemitraan	AFB/PPRC.21/13/Add.1	30,000	30,000			30,000	Approved
Sub-total				267,000	267,000			87,000	
3. Concepts: Single-country									
	Indonesia (1)	Kemitraan	AFB/PPRC.21/5	998,878	998,878				Not endorsed
	Indonesia (2)	Kemitraan	AFB/PPRC.21/6	905,109	905,109				Endorsed
	Indonesia (3)	Kemitraan	AFB/PPRC.21/7	946,287	946,287				Not endorsed
	Indonesia (4)	Kemitraan	AFB/PPRC.21/8	990,000	990,000				Not endorsed
	Indonesia (5)	Kemitraan	AFB/PPRC.21/9	589,975	589,975				Not endorsed
	Indonesia (6)	Kemitraan	AFB/PPRC.21/10	1,000,000	1,000,000				Not endorsed
	Armenia (1)	EPIU	AFB/PPRC.21/11	1,435,100	1,435,100				Endorsed
	Armenia (2)	EPIU	AFB/PPRC.21/12	2,528,000	2,528,000				Not endorsed
	Indonesia (7)	Kemitraan	AFB/PPRC.21/13	4,169,993	4,169,993				Endorsed
	Chad	OSS	AFB/PPRC.21/14	9,600,000		9,600,000			Not endorsed
	Cambodia	UN-Habitat	AFB/PPRC.21/15	5,000,000			5,000,000		Endorsed
	Cote d'Ivoire	AfDB	AFB/PPRC.21/16	9,866,905			9,866,905		Not endorsed
	Mongolia	UN-Habitat	AFB/PPRC.21/17	4,500,000			4,500,000		Endorsed
Sub-total				42,530,247	13,563,342	9,600,000	19,366,905		
4. Projects and Programmes: Regional									
	Chile, Ecuador	CAF	AFB/PPRC.21/36	13,910,400		13,910,400			Not approved
	Cambodia, Lao PDR, Myanmar, Thailand, Vietnam	UNESCO	AFB/PPRC.21/37	4,898,775			4,898,775		Not approved

Sub-total				18,809,175		13,910,400	4,898,775		
5. Project Formulation Grants: Regional Concepts									
	Cuba, Dominican Republic, Jamaica	UNDP	AFB/PPRC.21/34/Add.1	80,000			80,000	80,000	Approved
Sub-total				80,000			80,000	80,000	
6. Concepts: Regional									
	Cuba, Dominican Republic, Jamaica	UNDP	AFB/PPRC.21/34	4,969,367			4,969,367		Endorsed
	Thailand, Vietnam	UN Environment	AFB/PPRC.21/35	7,000,000			7,000,000		Endorsed
Sub-total				11,969,367			11,969,367		
7. Project Formulation Grants: Regional Pre-concept									
	Burkina, Mali	OSS	AFB/PPRC.21/29/Add.1	20,000			20,000		Not approved
	Djibouti, Kenya, Sudan, Uganda	OSS	AFB/PPRC.21/30/Add.1	20,000			20,000	20,000	Approved
	Cote d'Ivoire, Guinea	AfDB	AFB/PPRC.21/32/Add.1	20,000			20,000	20,000	Approved
	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.21/33/Add.1	20,000			20,000	20,000	Approved

Sub-total				80,000		40,000	40,000	60,000	
8. Pre-concepts: Regional									
	Argentina, Uruguay	CAF	AFB/PPRC.21/28	13,999,997		13,999,997			Endorsed
	Burkina, Mali	OSS	AFB/PPRC.21/29	4,790,000		4,790,000			Not endorsed
	Djibouti, Kenya, Sudan, Uganda	OSS	AFB/PPRC.21/30	12,990,000		12,990,000			Endorsed
	Cote d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.21/31	14,000,000			14,000,000		Endorsed
	Cote d'Ivoire, Guinea	AfDB	AFB/PPRC.21/32	14,000,000			14,000,000		Endorsed
	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.21/33	7,920,000			7,920,000		Endorsed
Sub-total				67,699,997		31,779,997	35,920,000		
9. Total (9 = 1 + 2 + 3 + 4 + 5+6+7+8)				196,503,876	27,798,527	77,798,770	90,906,579	23,837,546	

**Figure 3: Project-related funding decisions made at the 31st meeting of the Board
(United States Dollars)**

	Country/Title	IE	Document Ref	Requested amount	NIE	RIE	MIE	Approved amount	Decision
1. Projects and Programmes: Single-country									
	Micronesia (F. S. of)	MCT	AFB/PPRC.22/10	970,000	970,000			970,000	Approved
	Cook Islands	MFEM	AFB/PPRC.22/11	2,999,125	2,999,125			2,999,125	Approved
	Ecuador	CAF	AFB/PPRC.22/12	2,489,373		2,489,373			Not approved
	Togo	BOAD	AFB/PPRC.22/13	10,000,000		10,000,000			Not approved
	Cambodia	UN-Habitat	AFB/PPRC.22/14	5,000,000			5,000,000		Not approved
	Cameroon	IFAD	AFB/PPRC.22/15	9,982,000			9,982,000		Not approved
	Iraq	IFAD	AFB/PPRC.22/16	9,999,660			9,999,660	9,999,660	Approved
	Mongolia	UN-Habitat	AFB/PPRC.22/17	4,495,235			4,495,235		Not approved
Sub-total				45,935,393	3,969,125	12,489,373	29,476,895	13,968,785	
2. Project Formulation Grants: Single country									
	Armenia	EPIU	AFB/PPRC.22/6/Add.1	30,000	30,000			30,000	Approved
Sub-total				30,000	30,000			30,000	
3. Concepts:									

Single-country									
	Armenia	EPIU	AFB/PPRC.22/6	2,506,000	2,506,000				Endorsed
	Lesotho	WFP	AFB/PPRC.22/7	9,801,608			9,801,608		Endorsed
	Mozambique	AfDB	AFB/PPRC.22/8	9,999,400			9,999,400		Not endorsed
	Uganda	AfDB	AFB/PPRC.22/9	2,249,000			2,249,000		Not endorsed
Sub-total				24,556,008	2,506,000	-	22,050,008		
4. Projects and Programmes: Regional									
	Chile, Ecuador	CAF	AFB/PPRC.22/24	13,910,400		13,910,400			Not approved
Sub-total				13,910,400		13,910,400	0		
5. Project Formulation Grants: Regional Concepts									
	Argentina, Uruguay	CAF	AFB/PPRC.22/21/Add.1	100,000		100,000		100,000	Approved
	Cote d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.22/22/Add.1	100,000			100,000		Not approved
	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.22/23/Add.1	80,000			80,000	80,000	Approved
Sub-total				280,000		100,000	180,000	180,000	
6. Concepts: Regional									
	Argentina,	CAF	AFB/PPRC.22/21						Endorsed

	Uruguay			13,999,996		13,999,996			
	Cote d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.22/22	14,000,000			14,000,000		Not endorsed
	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.22/23	7,920,000			7,920,000		Endorsed
Sub-total				35,919,996			21,920,000		
7. Project Formulation Grants: Regional Pre-concept									
	Chile, Colombia, Peru	WMO	AFB/PPRC.22/20/Add.1	19,980			19,980		Approved
Sub-total				19,980			19,980	19,980	
8. Pre-concepts: Regional									
	Albania, the Former Yugoslav Republic of Macedonia, Montenegro	UNDP	AFB/PPRC.22/18	9,927,750			9,927,750		Endorsed
	Belize, Guatemala	UN Environment	AFB/PPRC.22/19	10,009,125			10,009,125		Not endorsed
	Chile, Colombia, Peru	WMO	AFB/PPRC.22/20	7,398,000			7,398,000		Endorsed
Sub-total				27,334,875		-	27,334,875		
9. Total (9 = 1 + 2 + 3 + 4 + 5+6+7+8)				147,986,652	6,505,125	26,499,773	100,981,758	14,198,765	

Figure 4: Fully-developed project and programme proposals approved by the Adaptation Fund Board between 1 July 2017 and 30 June 2018

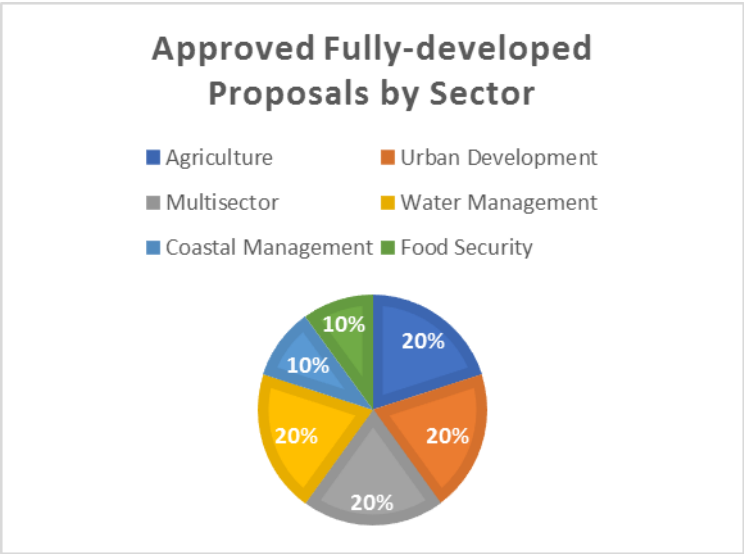
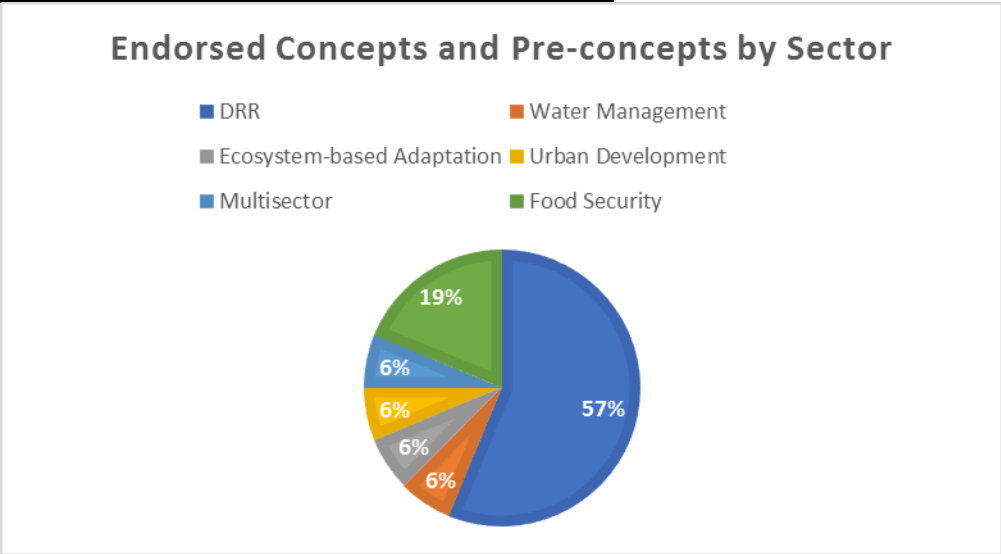


Figure 5: Project and programme pre-concepts and concepts endorsed by the Adaptation Fund Board between 1 July 2017 and 30 June 2018



**Figure 6: Funding decisions made for projects under the readiness programme during the reporting period
(United States Dollars)**

	Country/Title	IE	Document Ref	Requested amount	NIE	Approved amount	Decision
1. Technical Assistance Grants							
	Morocco	ADA	AFB/PPRC.21-22/2	25,000	25,000	25,000	Approved
Sub-total				25,000	25,000	25,000	
2. South-South Cooperation Grants							
	Côte d'Ivoire	CSE (Senegal)	AFB/PPRC.21-22/3	50,000	50,000	50,000	Approved
	Dominica	DoE (Antigua and Barbuda)	AFB/PPRC.21-22/4	50,000	50,000	50,000	Approved
	Maldives	DoE (Antigua and Barbuda)	AFB/PPRC.21-22/5	50,000	50,000	50,000	Approved
Sub-total				150,000	150,000	150,000	

Annex VI: Status of the portfolio of the Fund**Table 1: Status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2018**

	Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date	Project/ Programme Status
1	Senegal	Adaptation to Coastal Erosion in Vulnerable Areas	CSE	8,619,000	8,619,000	17/9/2010	Completed
2	Honduras	Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor	UNDP	5,620,300	5,620,300	17/9/2010	Completed
3	Nicaragua	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	UNDP	5,500,950	5,500,950	15/12/2010	Completed
4	Pakistan	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan	UNDP	3,906,000	3,906,000	15/12/2010	Completed
5	Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	WFP	7,449,468	7,449,468	18/3/2011	Under implementation
6	Eritrea	Climate Change Adaptation Programme in Water and Agriculture in Anseba Region, Eritrea	UNDP	6,520,850	6,520,850	18/3/2011	Under implementation
7	Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	5,533,500	5,533,500	18/3/2011	Completed
8	Mongolia	Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	UNDP	5,500,000	5,500,000	22/6/2011	Under implementation
9	Maldives	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	UNDP	8,989,225	8,989,225	22/6/2011	Completed

10	Turkmenistan	Addressing climate change risks to farming systems in Turkmenistan at national and community level	UNDP	2,929,500	2,929,500	22/6/2011	Completed
11	Mauritius	Climate Change Adaptation Programme in the Coastal Zone of Mauritius	UNDP	9,119,240	6,593,941	16/9/2011	Under implementation
12	Georgia	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia	UNDP	5,316,500	5,316,500	14/12/2011	Completed
13	Tanzania	Implementation of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania	UNEP	5,008,564	5,008,564	14/12/2011	Under implementation
14	Cook Islands	Strengthening the Resilience of our Islands and our Communities to Climate Change	UNDP	5,381,600	5,381,600	14/12/2011	Under implementation
15	Uruguay	Building resilience to climate change and variability in vulnerable smallholders	ANII	9,967,678	9,967,678	14/12/2011	Under implementation
16	Samoa	Enhancing Resilience of Samoa's Coastal Communities to Climate Change	UNDP	8,732,351	8,732,351	14/12/2011	Under implementation
17	Madagascar	Madagascar: Promoting Climate Resilience in the Rice Sector	UNEP	5,104,925	4,829,878	14/12/2011	Under implementation
18	Papua New Guinea	Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea	UNDP	6,530,373	6,530,373	16/3/2012	Under implementation
19	Cambodia	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	UNEP	4,954,273	4,733,962	28/6/2012	Under implementation
20	Colombia	Reducing Risk and Vulnerability to Climate Change in the Region of la Depresion Momposina in Colombia	UNDP	8,518,307	6,644,846	28/6/2012	Under implementation
21	Djibouti	Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities in Djibouti	UNDP	4,658,556	4,658,556	28/6/2012	Under implementation

22	Egypt	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	WFP	6,904,318	6,804,316	28/6/2012	Under implementation
23	Jamaica	Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security	PIOJ	9,965,000	5,980,360	28/6/2012	Under implementation
24	Lebanon	Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	IFAD	7,860,825	1,589,200	28/6/2012	Not Started
25	Mauritania	Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	WFP	7,803,605	7,714,819	28/6/2012	Under implementation
26	Sri Lanka	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	WFP	7,989,727	6,568,567	14/12/2012	Under implementation
27	Argentina	Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province	WB	4,296,817	3,752,462	14/12/2012	Under implementation
28	Argentina	Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina	UCAR	5,640,000	5,640,000	4/4/2013	Under implementation
29	Guatemala	Climate change resilient production landscapes and socioeconomic networks advanced in Guatemala	UNDP	5,425,000	5,425,000	14/09/2013	Under implementation
30	Rwanda	Reducing Vulnerability to Climate Change in North West Rwanda through Community based adaptation.	MINIRENA	9,969,619	9,154,155	01/11/2013	Under implementation
31	Cuba	Reduction of vulnerability to coastal flooding through ecosystem-based adaptation in the south of Artemisa and Mayabeque provinces	UNDP	6,067,320	4,315,597	20/02/2014	Under implementation
32	Seychelles	Ecosystem Based Adaptation to Climate Change in Seychelles	UNDP	6,455,750	3,583,889	20/02/2014	Under implementation

33	Uzbekistan	Developing Climate Resilience of Farming Communities in the drought prone parts of Uzbekistan	UNDP	5,415,103	2,869,908	20/02/2014	Under implementation
34	Myanmar	Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar	UNDP	7,909,026	7,909,026	27/02/2014	Under implementation
35	Belize	Implement priority ecosystem-based marine conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef System	WB	6,000,000	5,464,967	18/08/2014	Under implementation
36	India	Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise	NABARD	689,264	322,733	10/10/2014	Under implementation
37	India	Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal	NABARD	2,510,854	1,255,427	10/10/2014	Under implementation
38	Costa Rica	Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors	Fundecooperación	9,970,000	6,733,657	10/10/2014	Under implementation
39	Kenya	Integrated Programme to Build Resilience to Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya	NEMA	9,998,302	4,956,906	10/10/2014	Under implementation
40	South Africa	Building Resilience in the Greater uMngeni Catchment	SANBI	7,495,055	2,588,273	10/10/2014	Under implementation
41	South Africa	Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change	SANBI	2,442,682	2,104,354	10/10/2014	Under implementation
42	Ghana	Increased resilience to climate change in Northern Ghana through the management of water resources and diversification of livelihoods	UNDP	8,293,972.19	1,852,667.19	05/03/2015	Under implementation
43	Mali	Programme Support for Climate Change Adaptation in the vulnerable regions of Mopti and Timbuktu	UNDP	8,533,348	7,331,866	25/03/2015	Under implementation
44	Nepal	Adapting to climate induced threats to food production and food security in the Karnali Region	WFP	9,527,160	2,341,906	01/04/2015	Not Started

		of Nepal					
45	Jordan	Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through implementing innovative projects in water and agriculture in support of adaptation to climate change	MOPIC	9,226,000	4,706,391	10/04/2015	Under implementation
46	Morocco	Climate changes adaptation project in oasis zones – PACC-ZO	ADA	9,970,000	7,311,018	10/04/2015	Under implementation
47	India	Building adaptive capacities of small inland fishers for climate resilience and livelihood security, Madhya Pradesh	NABARD	1,790,500	895,260	10/04/2015	Under implementation
48	India	Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities	NABARD	969,570	165,933	09/10/2015	Under implementation
49	Chile	Enhancing resilience to climate change of the small agriculture in the Chilean region of O'Higgins	AGCI	9,960,000	1,909,974	09/10/2015	Under implementation
50	India	Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu	NABARD	1,344,155	470,454	09/10/2015	Under implementation
51	Peru	Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries	PROFONANPE	6,590,239	2,979,902	18/03/2016	Under implementation
52	Niger	Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger Through Modern Irrigation Techniques	BOAD	9,911,000	1,376,000	05/07/2016	Not Started
53	Uganda	Enhancing Resilience of Communities to Climate Change Through Catchment-based Integrated Management of Water	OSS	7,751,000	1,500,000	05/07/2016	Under implementation
54	India	Building Adaptive Capacities in Communities, Livelihood and Ecological Security in Kanha-Pench Corridor in Madhya Pradesh	NABARD	2,556,093	706,276	10/07/2016	Under implementation
55	Lao People's Democratic Republic	Enhancing the Climate and Disaster Resilience of the Most Vulnerable Rural and Emerging Urban Rural Settlements in Lao PDR	UN-Habitat	4,500,000	2,376,150	10/07/2016	Under implementation
56	Ethiopia, Kenya,	Agricultural Climate Resilience Enhancement Initiative (ACREI)	WMO	6,800,000	3,400,000	17/03/2017	Not Started

	Uganda						
57	Antigua and Barbuda	An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda's Northwest McKinnon's Basin	ABED	9,970,000	1,571,000	17/03/2017	Under implementation
58	Ethiopia	Climate Smart Integrated Rural Development Project	MOFEC	9,987,910	4,354,692	17/03/2017	Under implementation
59	Honduras	Ecosystem-Based Adaptation at Communities of the Central Forest Corridor at Tegucigalpa	UNDP	4,379,700	137,244	17/03/2017	Not Started
60	Micronesia	Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia	SPREP	9,000,000	1,248,486	17/03/2017	Under implementation
61	Panama	Adapting to Climate Change Through Integrated Water Management in Panama	Fundación Natura	9,977,559	5,531,462	17/03/2017	Not Started
62	Paraguay	Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay	UNEP	7,128,450	961,591	17/03/2017	Not Started
63	Peru	AYNINACUY: Strategies for Adaptation to Climate Change for the Preservation of Livestock Capital and Livelihoods in Highland Rural Communities	CAF	2,941,446	923,255	17/03/2017	Not Started
64	Colombia, Ecuador	Building adaptation to climate change through food security and nutrition actions in vulnerable Afro and indigenous communities in the Colombia -Ecuador border area	WFP	14,000,000	1,568,042	05/07/2017	Under implementation
65	Burundi, Kenya, Rwanda, Tanzania, Uganda	Adapting to climate change in Lake Victoria Basin	UNEP	5,000,000	1,260,692	05/07/2017	Not Started
66	Senegal	Reducing Vulnerability and increasing resilience of coastal communities in the Saloum Islands (Dionewar)	CSE	1,351,000	520,000	05/07/2017	Not Started
67	Namibia	Pilot desalination plant with renewable power membrane technology	DRFN	4,999,674	4,123,228	13/10/2017	Not Started
68	Guinea-Bissau	Scaling up climate-smart agriculture in East Guinea-Bissau	BOAD	9,979,000	3,034,000	13/10/2017	Not Started
69	Fiji	Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks	UN-HABITAT	4,235,995	599,127	13/10/2017	Not Started

70	Solomon Islands	Enhancing urban resilience to climate change impacts and natural disasters	UN-HABITAT	4,395,877	813,750	13/10/2017	Not Started
71	Cook Islands	Akamatutu'anga kia Tukatau te Ora'anga ite Pa Enea" Pa Enea Action for Resilient Livelihoods (PEARL)	MFEM	2,999,125	1,341,455	22/03/2018	Not Started
72	Federated States of Micronesia	Practical solutions for reducing community vulnerability to climate change in the Federated States of Micronesia	MCT	970,000	478,573	22/03/2018	Not Started
73	Iraq	Building Resilience of the Agriculture Sector to Climate Change in Iraq	IFAD	9,999,660	0	22/03/2018	Not Started
			TOTAL	474,067,859.19			

Figure 1: Status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2018 by allocated amount per sector

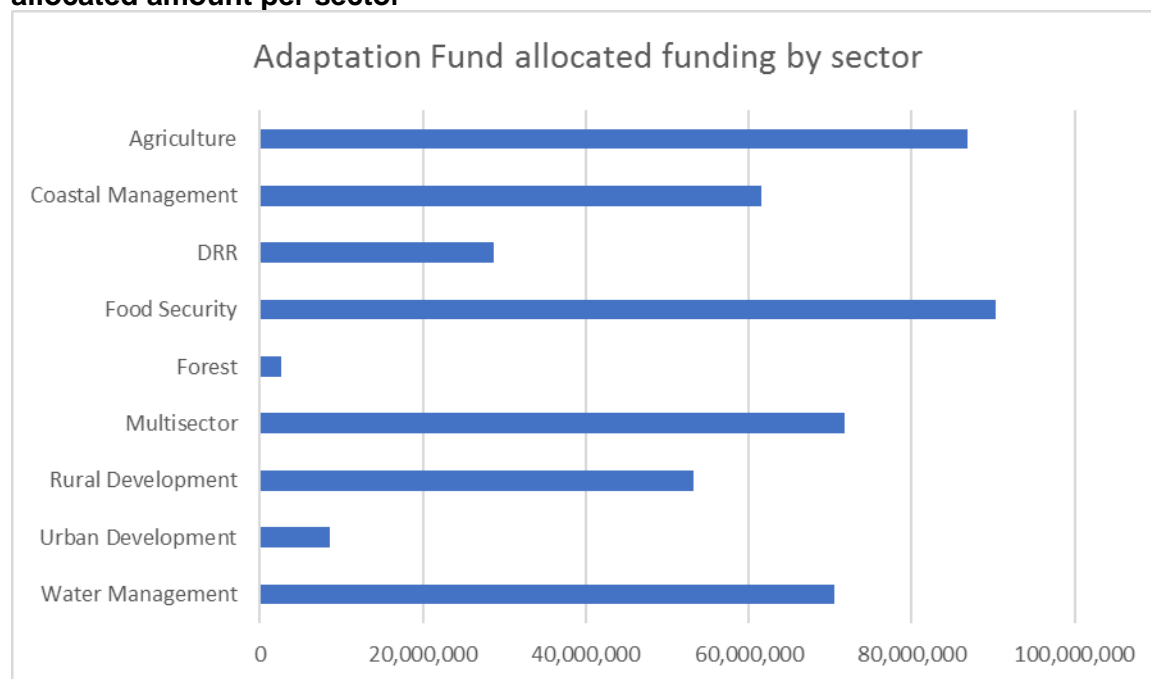


Table 2: Breakdown of the status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2018

Status	Number of projects/programmes	Total value (USD)
Not started	17	102,456,471
Under implementation	48	325,196,413.2
Completed	8	46,414,975

Table 3: Active pipeline of project and programme proposals submitted to the Adaptation Fund but not approved as of 30 June 2018 - Single-country proposals that had been submitted to the Adaptation Fund between 1 July 2017 and 30 June 2018 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.

Country	Agency	Financing requested (USD)	Stage
NIE proposals			
Armenia	EPIU	1,435,100	Full proposal*
Armenia	EPIU	2,506,000	Concept (endorsed)
Indonesia	Kemitraan	4,169,987	Concept (endorsed)
Indonesia	Kemitraan	998,878	Concept
Indonesia	Kemitraan	905,109	Concept (endorsed)
Indonesia	Kemitraan	946,287	Concept
Indonesia	Kemitraan	990,000	Concept
Indonesia	Kemitraan	589,975	Concept
Indonesia	Kemitraan	1,000,000	Concept
Namibia	DRFN	4,999,386	Full proposal
Dominican Republic	IDDI	9,954,000	Full proposal
Total, NIEs		28,494,722	
RIE proposals			
Chad	OSS	9,600,000	Concept
Ecuador	CAF	2,489,373	Full proposal (recommended for approval)*
Togo	BOAD	10,000,000	Full proposal*
Total, RIEs		22,089,373	
MIE proposals			
Cambodia	UN-Habitat	5,000,000	Full proposal
Mongolia	UN-Habitat	4,495,235	Full proposal (recommended for approval)*
Cote d'Ivoire	AfDB	9,866,905	Concept
Lesotho	WFP	9,801,608	Concept (endorsed)
Mozambique	AfDB	9,999,400	Concept
Uganda	AfDB	2,249,000	Concept (recommended for endorsement)*
Cameroon	IFAD	9,982,000	Full proposal*
Total, MIEs		51,394,148	
Total, all IEs		101,978,243	

* These single country proposals were recommended/non-recommended for endorsement/approval, as at the date of this report and await intersessional Board decision through a two-week non-objection process to be completed by 16 July 2018.

Table 4: Active pipeline of project and programme proposals submitted to the Adaptation Fund but not approved as of 30 June 2018 - Regional proposals that had been submitted to the Adaptation Fund between 1 July 2017 and 30 June 2018 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.⁹⁰

Countries	Agency	Financing requested (USD)	Stage
RIE proposals			
Argentina, Uruguay	CAF	13,999,996	Concept (endorsed)
Burkina Faso, Mali	OSS	4,790,000	Pre-concept
Djibouti, Kenya, Sudan, Uganda	OSS	13,079,540	Concept (recommended for endorsement)*
Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	14,000,000	Full proposal (recommended for approval)*
Chile, Ecuador	CAF	13,910,400	Full proposal (recommended for approval)*
Benin, Burkina Faso, Niger	OSS	11,536,200	Full proposal*
Total, RIEs		71,316,136	
MIE proposals			
Cote d'Ivoire, Guinea	AfDB	14,000,000	Pre-concept (endorsed)
Cote d'Ivoire, Ghana	UN-HABITAT	14,000,000	Concept (recommended for endorsement)*
Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	7,920,000	Concept (endorsed)
Cuba, Dominican Republic, Jamaica	UNDP	4,969,367	Concept (endorsed)
Thailand, Vietnam	UNEP	7,000,000	Concept (endorsed)

⁹⁰ Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the governments of all prospective recipient countries are included.

* These regional proposals were under review at the end of the reporting period.

Cambodia, Lao PDR, Myanmar, Thailand, Vietnam	UNESCO	4,898,775	Full-proposal
Albania, the Former Yugoslav Republic of Macedonia, Montenegro	UNDP	9,927,750	Pre-concept (endorsed)
Belize, Guatemala	UNEP	10,009,125	Pre-concept (endorsed)
Chile, Colombia, Peru	WMO	7,398,000	Pre-concept (endorsed)
Madagascar, Malawi, Mozambique, Union of Comoros	UN-HABITAT	13,997,423	Full-proposal*
Kazakhstan, Tajikistan, Uzbekistan	UNESCO	5,000,000	Concept (recommended for endorsement)*
Total, MIEs		99,120,440	
Total, all IEs		170,436,576	

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

*This table includes single county and regional proposals that were under review at the end of the reporting period.

Status	Submitted by NIE	Total value (USD)	Submitted by RIE	Total value (USD)	Submitted by MIE	Total value (USD)	Total	Total value (USD)
Single-country projects and programmes								
Concept submitted, not endorsed	5	4,435,140	1	9,600,000	3	22,115,305	9	36,150,445
Concept submitted, endorsed	3	7,581,096	0	0	1	9,801,608	4	17,382,704
Full proposal submitted, not approved	3	16,388,486	2	12,489,373	3	19,477,235	8	48,355,094
Regional projects and programmes								
Pre-concept submitted, not endorsed	-	-	1	4,790,000	0	0	1	4,790,000
Pre-concept submitted, endorsed	-	-	0	0	4	41,334,875	4	41,334,875
Concept submitted, not endorsed	-	-	0	0	0	0	0	0
Concept submitted, endorsed	-	-	2	27,079,536	5	38,889,367	7	65,968,903
Full proposal submitted, not approved	-	-	3	39,446,600	2	18,896,198	5	58,342,798
GRAND TOTAL	11	28,404,722	9	93,405,509	18	150,514,588	38	272,324,819

Annex VII: Guidance by CMP 14 and response by Adaptation Fund Board.

CMP decision	AFB response
Decision 1/CMP.13: Report of the Adaptation Fund Board	
<p>Paragraph 8:</p> <p><i>Also encourages</i> the Adaptation Fund Board, in line with its existing mandate, to continue its consideration of linkages between the Adaptation Fund and other funds, and to report on the outcomes thereof to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session (December 2018)</p>	<p>Please refer to section “Operational linkages and relations with institutions under the Convention”, para. 45-56. In particular, following decisions by the Board, during SB 48, the Chair and Vice-Chair of the Fund, supported by the secretariat, held a bilateral meeting with the Co-Chairs of the GCF and discussed possible concrete steps to enhance complementarity and coherence between the two funds.</p>
<p>Paragraph 9:</p> <p><i>Further encourages</i> the Adaptation Fund Board to implement its medium-term strategy</p>	<p>Please refer to section “Medium-term Strategy”, para. 32-36.</p>
<p>Paragraph 10:</p> <p><i>Encourages</i> the Adaptation Fund Board to continue its deliberations on enhancing and streamlining accreditation policies for implementing entities, including reaccreditation of previously accredited entities</p>	<p>Please refer to section “Accreditation of Implementing Entities”, para. 19. With regard to re-accreditation, please also note the earlier Board decision B.28/38, by which the Board had approved the fast track reaccreditation process for the Fund’s implementing entities which were also accredited with the Green Climate Fund (GCF).</p>
<p>Paragraph 11:</p> <p><i>Requests</i> the Adaptation Fund Board to make available, as part of its annual report, information on board meetings and other relevant developments that have taken place after the publication of the main part of the annual report</p>	<p>Noted. The Board is prepared to issue an addendum to the main part of the annual report following its 32nd meeting which will take place on 11–12 October 2018.</p>
Decision 2/CMP.13: Third Review of the Adaptation Fund	
<p>Paragraph 7:</p> <p><i>Encourages</i> the Adaptation Fund Board:</p> <p>(a) To consider options for improvement of efficiency with regard to the operation of the Adaptation Fund;</p>	<p>(a) The second phase of the overall evaluation of the Adaptation Fund, finalized in June 2018, finds:</p> <p>1) The Adaptation Fund is efficient in managing accreditation and project cycle processes. Even as the volume of accreditation applications and project proposals increases, the Adaptation Fund Board Secretariat maintains its efficiency;</p> <p>2) The Adaptation Fund has a clear advantage in efficient project-approval processes. It has the</p>

<p>(b) To continue to engage with subnational actors and the private sector through, <i>inter alia</i>, microfinance schemes, weather-based insurance arrangements, involvement with local industry groups and farmers in adaptation projects, and public-private partnerships;</p> <p>(c) To consider voluntary tracking of climate</p>	<p>smallest secretariat which is indicative of cost efficiency; and</p> <p>3) Projects in general are delivered on time although implementation delays affect overall timeframes and in some instances lead to revision of activities.</p> <p>With regard to improvement of efficiency of the accreditation and re-accreditation processes, please refer to section “Accreditation of Implementing Entities”, para. 19.</p> <p>(b) The Adaptation Fund Board engages, through its portfolio of projects and programmes, with subnational actors and the private sector, and does so through, <i>inter alia</i>, microfinance schemes, weather-based insurance arrangements, involvement with local industry groups and farmers in adaptation projects. For instance, a project implemented in Djibouti supports the development of microfinance products to facilitate and promote diversified and climate resilient agro-pastoral production systems. In Argentina and Georgia, the Fund has successfully helped piloting horticulture and flood insurance schemes respectively, to support vulnerable communities to adapt to extreme weather events in the target areas in those countries. In Peru and Senegal, local fish processing and tourism industries have been engaged with to reduce the vulnerability of coastal ecosystems and communities. Lastly, farmers have been supported in different circumstances, regions and ecosystems, including the most vulnerable smallholders through grant packages and training, or other farmers through the establishment of revolving funds, microfinance and insurance schemes, and the provision of training, to reduce their vulnerability to extreme climate events. The continuing efforts of the Fund to engage with subnational actors and the private sector will be strengthened while the Fund implements the Medium-term Strategy adopted by the Board in October 2017, of which three pillars include action, innovation and learning and sharing.</p> <p>(c) Since the approval of the reporting process and</p>
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<p>finance mobilized, where appropriate;</p> <p>(d) To continue the efforts to enhance complementarity and coherence with other funds both under and outside the Convention;</p>	<p>the project performance template in December 2011 through decision B.16/21, the Adaptation Fund Board has tracked, at the level of individual projects and programmes, voluntary co-financing through the project documents and annual project performance reports.</p> <p>(d) Please refer to section “Operational linkages and relations with institutions under the Convention”, para. 45-56.</p>
<p>Paragraph 8:</p> <p><i>Requests</i> the Adaptation Fund Board:</p> <p>(a) To consider lessons learned from the Adaptation Fund’s engagement with private sector stakeholders in adaptation projects at the local level, including in the decision-making processes of the Adaptation Fund and in communications with donors;</p> <p>(b) To monitor and assess project approval time under the Readiness Programme, identifying any linkages of this time to the introduction of the Adaptation Fund’s environmental and social policy, and to take measures to reduce the time, as necessary, while continuing to implement its environmental and social safeguards and gender policy;</p> <p>(c) To continue to provide information on project approval time;</p> <p>(d) To continue monitoring the adaptation impacts and results of the Adaptation Fund, including using local and sector-specific metrics;</p>	<p>(a) The Medium-term Strategy adopted by the Board in October 2017 includes learning and sharing (lessons) as one of the three pillars, which provides opportunities to compile, analyze and disseminate lessons learned from engagement with private sector stakeholders, among other areas.</p> <p>(b) The Readiness Programme provides support to improving the implementing entities’ capacity to comply with the requirements of the environmental and social policy, as well as with the gender policy, both through training organized in workshops and seminars, and through targeted small grants that enable acquisition of technical assistance. The Fund also has produced and updated relevant guidance documents. The Board has observed increased capacity among implementing entities, including national, regional and multilateral implementing entities, with the comprehensive safeguards policies of the Fund.</p> <p>(c) Project approval time is a standard indicator tracked by the Board through the annual performance reports prepared by the secretariat.</p> <p>(d) The Results Based Management (RBM) system of the Adaptation Fund combines the goals of collecting locally and sectorally relevant information on impacts and results, and of collecting results-related information that can be aggregated at the Fund level across projects,</p>

(e) To report on progress made on the mandates arising from this decision in the future reports of the Adaptation Fund to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

regions and sectors. The RBM system, through the project performance reporting system encourages identification, collection, analysis and dissemination of lessons learned that are specific to the particular circumstances where the project or programme is implemented. This includes using local and sector-specific metrics that are best suited for those circumstances.

(e) Noted.

Annex VIII: Financial report of the Adaptation Fund Trust Fund as at 30 June 2018, prepared by the trustee. Supplemental Report for the Adaptation Fund Board Report to CMP 14.



Adaptation Fund Trust Fund

Financial Report

Prepared by the Trustee

As of June 30, 2018

Supplemental Report for the Adaptation Fund Board Report to CMP 14



Table of Contents

Table of Contents

Introduction	3
Adaptation Fund Trust Fund Summary as of June 30, 2018	4
1. AF Trust Fund Summary – Inception through June 30, 2018.....	5
2. CER Sales Proceeds and Donations	6
3. Asset Mix and Investment Income.....	8
4. Cumulative Funding Decisions (breakdown by NIEs, RIEs and MIEs)	9
5. Funds Available	12
Annex – Detailed CER Monetization Record.....	13
Glossary.....	14



Introduction

This report is produced by the World Bank as interim trustee (“Trustee”) for the Adaptation Fund (AF), in accordance with the Trustee’s role in the Adaptation Fund Trust Fund as set forth under paragraph 23 in the Appendix of Decision 1/CMP.4 of the CMP¹.

The information contained in this Financial Report is based on financial information as of June 30, 2018.

¹ The decision states that: “The Trustee shall prepare and furnish the Adaptation Fund Board with financial reports of the Trust Fund annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), and provide records and accounts of the Trust Fund for audit by its external auditors annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), in accordance with the policies and procedures of the Trustee. Furthermore, the Trustee shall prepare and furnish the Adaptation Fund Board with reports on the sale of the CERs for the Adaptation Fund and on the status of commitments and transfers of Trust Fund funds annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board).”



Adaptation Fund Trust Fund Summary as of June 30, 2018

Certified Emission Reduction (CER) Sales and Donations

Cumulative resources received into the AF Trust Fund through CER sales proceeds and donations was USDeq. 737.68 million as of June 30, 2018.

Since the start of the CER monetization program in May 2009, the Trustee has generated revenues of USDeq. 199.40 million through CER sales, USDeq. 1.57 million of which were from CER sales for the period July 1, 2017 to June 30, 2018 (fiscal year 2018). As of June 30, 2018, cumulative donations received amounted to USDeq. 538.29 million.

Investment Income

As of June 30, 2018, the AF Trust Fund earned investment income of approximately USD 15.82 million on the liquid balances in the Trust Fund. The AF Trust Fund liquid portfolio has returned 1.72% for fiscal year 2018.

Funding Approvals

Cumulative net funding decisions made by the AF Board through June 30, 2018 totaled USD 524.80 million, of which USD 476.75 million represents approvals for projects and programs.

Cash Transfers

The Trustee has transferred a total of USD 336.56 million up to June 30, 2018, including USD 294.84 million related to projects and programs.

Funds Held in Trust

Funds Held in Trust² reflect proceeds from CER monetization, donations received and investment income, less cash transfers made to date. Funds Held in Trust as of June 30, 2018 amounted to USDeq. 416.95 million, of which the amount set aside for operational reserve is USD 3 million.

Funds available for AF Board funding decisions

Funds available to support AF funding decisions amounted to USD 225.70 million as of June 30, 2018.

² Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

1. AF Trust Fund Summary – Inception through June 30, 2018

In USD millions

	Total	% of Total
<u>CER Sales Proceeds, Pledges and Donations</u>		
CER Sales Proceeds	199.40	27.0%
Donations	538.29	73.0%
Pledges	-	0.0%
Total CER Sales Proceeds and Donations	737.68	100.0%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
CER Sales Proceeds	199.40	26.5%
Donations	538.29	71.4%
Investment Income earned	15.82	2.1%
Total Resources Received	753.51	100.0%
<u>Resources not yet received</u>		
Donations not yet received	-	0.0%
Pledges	-	0.0%
Total resources not yet received	-	0.0%
Total Potential Resources (A) (in USD millions)	753.51	100.0%

<u>Cumulative Funding Decisions</u>		
Programs and Projects (MIE)	274.82	52.4%
Programs and Projects (NIE)	162.06	30.9%
Programs and Projects (RIE)	39.88	7.6%
Administrative Budget	48.05	9.2%
Total Funding Decisions Net of Cancellations (B)	524.80	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	228.70	
Total Potential Resources Net of Funding Decisions and Operational Reserve	225.70	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	413.95	
Approved Amounts Pending Cash Transfers	188.24	
Total Funds Available to Support AF Board Decisions	225.70	

Note: sub-totals may not add up to due to rounding



2. CER Sales Proceeds and Donations

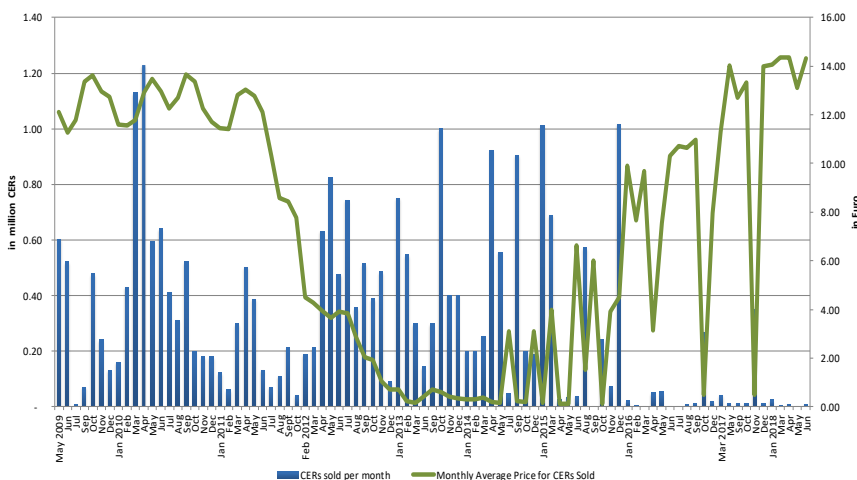
Calendar Year		CER balance a/	CER sales	Proceeds USD (millions)
2009	Q2	5,044,100	1,120,000	18.55
	Q3	5,461,361	80,000	1.52
	Q4	5,225,632	850,000	16.06
2010	Q1	4,161,678	1,720,000	27.95
	Q2	2,174,188	2,465,000	41.84
	Q3	1,306,693	1,240,000	20.92
2011	Q4	1,888,232	560,000	9.51
	Q1	3,005,041	480,000	8.18
	Q2	3,403,530	1,015,000	18.59
2012	Q3	4,966,292	390,000	4.80
	Q4	6,255,615	40,000	0.42
	Q1	7,514,701	400,000	2.31
2013	Q2	7,034,418	1,931,000	9.41
	Q3	6,280,769	1,614,000	6.22
	Q4	8,217,077	965,000	1.71
2014	Q1	9,035,889	1,498,000	0.25
	Q2	10,528,786	144,303	0.08
	Q3	10,932,978	300,000	0.29
2015	Q4	9,749,545	1,800,000	1.18
	Q1	8,582,226	655,000	0.29
	Q2	8,502,467	1,478,000	0.34
2016	Q3	8,626,126	950,594	0.26
	Q4	7,882,366	389,680	0.11
	Q1	7,099,207	1,696,880	3.18
2017	Q2	8,079,205	97,415	0.28
	Q3	7,889,286	574,273	0.13
	Q4	7,042,550	1,327,170	1.37
2018	Q1	7,300,935	29,438	0.30
	Q2	8,011,907	108,188	0.52
	Q3	8,397,741	23,988	0.29
2019	Q4	9,066,407	286,362	0.22
	Q1	9,753,492	40,047	0.56
	Q2	10,464,502	10,647	0.16
2020	Q3	10,894,235	11,039	0.17
	Q4	11,042,347	373,491	0.58
	Q1	11,283,138	29,450	0.51
2021	Q2	11,727,548	18,468	0.32
	Total		26,712,433	199.40

CER SALES PROCEEDS

This table shows the proceeds from CER sales received into the Adaptation Fund Trust Fund.

The Trustee has generated revenues of USDeq. 199.40 million through CER sales since the start of the CER monetization program in May 2009.

a/ in registries at period-end



CER SALES VS. MONTHLY AVERAGE PRICE

This chart presents the number of CERs sold per month and the monthly average price obtained by the Trustee for CERs sold between May 2009 and June 2018. During fiscal year 2018, the Trustee sold 0.43 million CERs and generated USDeq. 1.57 million in CER proceeds. The average price achieved during fiscal year 2018 was EUR 3.04 per ton.



DONATIONS

Donor	Currency	Pledged Donation in Currency of Contribution	Effective (or signed) Donation	Receipts in Currency of Contribution	Receipts in USDeq. a/
Austria	EUR	500,000	500,000	500,000	690,250
Belgium	EUR	1,500,000	1,500,000	1,500,000	1,645,500
Belgium (Flanders)	EUR	7,250,000	7,250,000	7,250,000	7,806,813
Belgium (Walloon Region)	EUR	8,500,000	8,500,000	8,500,000	9,755,500
Belgium (Brussels Capital Region)	EUR	4,801,575	4,801,575	4,801,575	5,601,872
Corporacion Andina de Fomento	USD	56,000	56,000	56,000	56,000
Finland b/	USD	67,534	67,534	67,534	67,534
Finland	EUR	5,000,000	5,000,000	5,000,000	6,803,000
France b/	USD	53,340	53,340	53,340	53,340
France	EUR	5,000,000	5,000,000	5,000,000	5,564,000
Germany	EUR	240,000,000	240,000,000	240,000,000	283,131,200
Ireland	EUR	300,000	300,000	300,000	356,550
Italy	EUR	14,000,000	14,000,000	14,000,000	16,375,900
Japan b/	USD	8,088	8,088	8,088	8,088
Luxembourg	EUR	2,000,000	2,000,000	2,000,000	2,105,296
Monaco	EUR	10,000	10,000	10,000	12,197
Norway b/	USD	87,700	87,700	87,700	87,700
Norway	NOK	15,000,000	15,000,000	15,000,000	2,439,381
Spain	EUR	45,000,000	45,000,000	45,000,000	57,055,000
Sweden	SEK	835,000,000	835,000,000	835,000,000	108,548,931
Switzerland b/	USD	77,668	77,668	77,668	77,668
Switzerland	CHF	13,000,000	13,000,000	13,000,000	14,125,926
United Kingdom	GBP	10,000,000	10,000,000	10,000,000	15,915,000
United Nations Foundation	USD	-	1,528	1,528	1,528
Others	GBP	-	326	326	504
Others	EUR	-	412	412	566
Total Donations Received					538,285,245

a/ Represents actual USD receipts.

b/ Donation corresponds to the Donor's pro-rata share of the balance in the Administrative Trust Fund

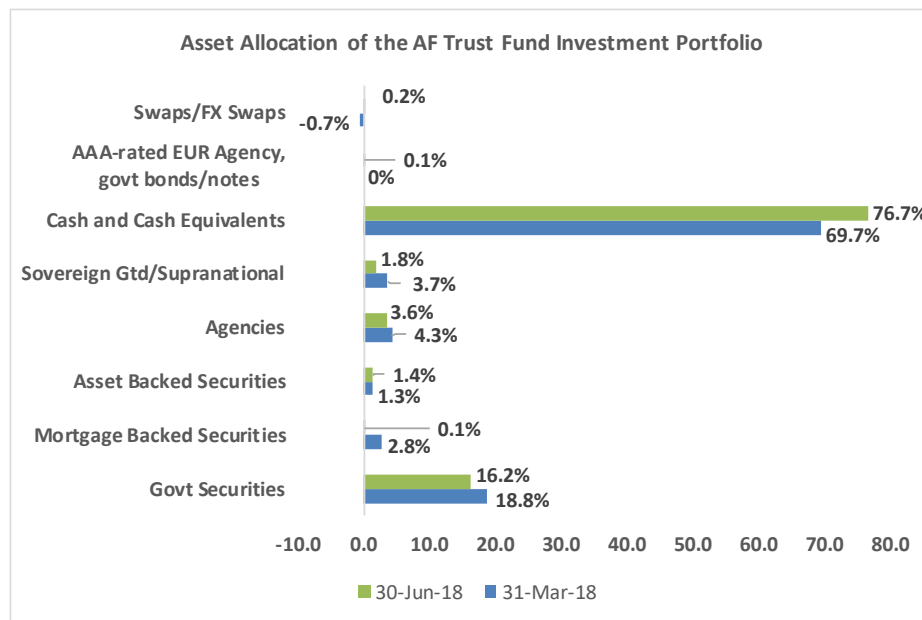


3. Asset Mix and Investment Income

ASSET MIX

The undisbursed cash balance of the Adaptation Fund Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. Funds are managed such that the expected maximum loss, as measured by the CVaR, in the worst 1% of cases will not exceed 0.25% at the portfolio’s investment horizon.

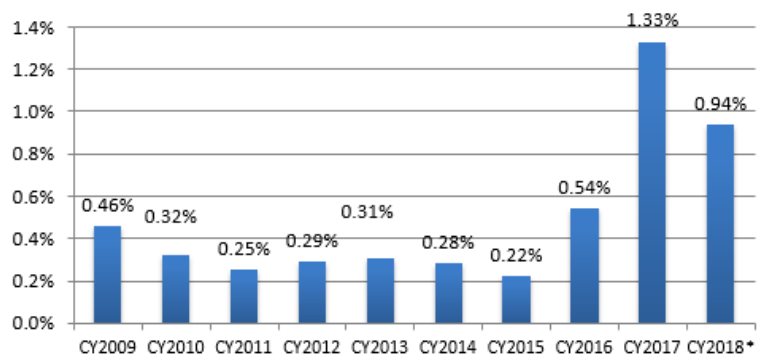
The portfolio allocation by asset class has the largest allocations to government securities and money-market instruments.



Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.

INVESTMENT RETURNS

The AF Trust Fund liquid portfolio earned approximately USD 15.82 million in investment income since inception. The portfolio return during fiscal year 2018 was 1.72%, with the largest contributors to investment performance being money market instruments and sovereign bonds.



*non-annualized



4. Cumulative Funding Decisions (breakdown by NIEs, RIEs and MIEs)

In USD millions

<u>1. Programs and Projects</u>	<u>MIE/RIE/NIE</u>	<u>MIE</u>	<u>RIE</u>	<u>NIE</u>	476.75
Antigua and Barbuda	ABED	-	-	10.00 a/	
Argentina	UCAR	-	-	5.67 a/	
Argentina	WB	4.30	-	-	
Armenia	EPIU	-	-	0.03 a/	
Armenia	EPIU	-	-	0.03 a/	
Belize	WB	6.00	-	-	
Benin	FNE	-	-	0.03 a/	
Cambodia	UNEP	4.95	-	-	
Chile	AGCI	-	-	9.99 a/	
Colombia	UNDP	8.52	-	-	
Cook Islands	UNDP	5.38	-	-	
Cook Islands	MFEM	-	-	3.00	
Costa Rica	FDS	-	-	10.00 a/	
Cuba	UNDP	6.07	-	-	
Djibouti	UNDP	4.66	-	-	
Dominican Republic	IDDI	-	-	0.03 a/	
Ecuador	WFP	7.45	-	-	
Egypt	WFP	6.90	-	-	
Eritrea	UNDP	6.52	-	-	
Ethiopia	MOFEC	-	-	9.99	
Fiji	UN HABITAT	4.24	-	-	
Georgia	UNDP	5.32	-	-	
Ghana	UNDP	8.29	-	-	
Guatemala	UNDP	5.43	-	-	
Guinea Bissau	BOAD	-	9.98	-	
Honduras	UNDP	5.62	-	-	
Honduras	UNDP	4.38	-	-	
India	NABARD	-	-	1.37 a/	
India	NABARD	-	-	0.69	
India	NABARD	-	-	2.54 a/	
India	NABARD	-	-	1.82 a/	
India	NABARD	-	-	0.97	
India	NABARD	-	-	2.58 a/	
Indonesia	KEMITRAAN	-	-	0.03 a/	
Indonesia	KEMITRAAN	-	-	0.03 a/	
Iraq	IFAD	10.00	-	-	
Jamaica	PIOJ	-	-	10.00 a/	
Jordan	MOPIC	-	-	9.26 a/	
Kenya	NEMA	-	-	10.00	
Lao, PDR	UN HABITAT	4.50	-	-	
Lebanon	IFAD	7.86	-	-	
Madagascar	UNEP	5.10	-	-	
Maldives	UNDP	8.99	-	-	
Mali	UNDP	8.53	-	-	
Mauritania	WFP	7.80	-	-	
Mauritius	UNDP	9.12	-	-	
Micronesia	SPREP	-	9.00	-	
Micronesia	MCT	-	-	1.00 a/	
Mongolia	UNDP	5.50	-	-	
Morocco	ADA	-	-	10.00 a/	
Myanmar	UNDP	7.91	-	-	

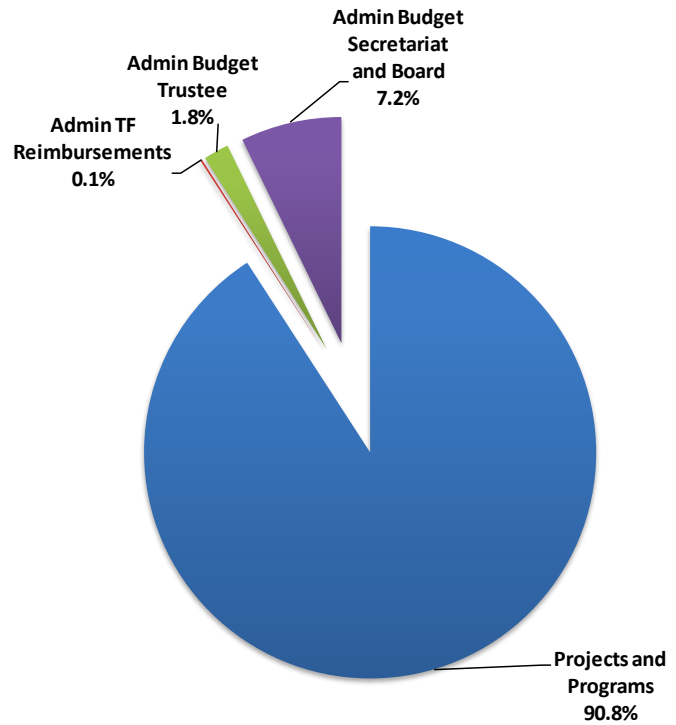


1. Programs and Projects	MIE/RIE/NIE	MIE	RIE	NIE	476.75
<i>(continued)</i>					
Namibia	DRFN	-	-	5.03 a/	
Namibia	DRFN	-	-	0.03 a/	
Nepal	WFP	9.53	-	-	
Nicaragua	UNDP	5.50	-	-	
Niger	BOAD	-	9.91	-	
Pakistan	UNDP	3.91	-	-	
Panama	FN	-	-	10.00 a/	
Papua New Guinea	UNDP	6.53	-	-	
Paraguay	UNEP	7.13	-	-	
Peru	PROFONANPE	-	-	6.95	
Peru	CAF	-	2.94	-	
Rwanda	MINIRENA	-	-	10.00 a/	
Samoa	UNDP	8.73	-	-	
Senegal	CSE	-	-	8.62	
Senegal	CSE	-	-	1.38 a/	
Seychelles	UNDP	6.46	-	-	
Solomon Islands	UNDP	5.53	-	-	
Solomon Islands	UN HABITAT	4.40	-	-	
South Africa	SANBI	-	-	7.53 a/	
South Africa	SANBI	-	-	2.47 a/	
Sri Lanka	WFP	7.99	-	-	
Tanzania	UNEP	5.01	-	-	
Turkmenistan	UNDP	2.93	-	-	
Uganda	OSS	-	7.75	-	
Uruguay	ANII	-	-	10.00 a/	
Uzbekistan	UNDP	5.42	-	-	
Regional		26.42	0.30	- a/ d/	
Africa		-	-	0.75 b/ c/	
Asia		-	-	0.08 b/ c/	
Caribbean		-	-	0.08 b/ c/	
Central America		-	-	0.05 c/	
South America		-	-	0.03 c/	
Oceania		-	-	0.03 c/	
Sub-Total by IE type		274.82	39.88	162.06	
% Total Programs and Projects		58%	8%	34%	
2. Administrative Budget					48.05
AF Administrative Trust Fund e/				0.69	
Administrative Budget - Trustee				9.49	
Administrative Budget - AF Board and Secretariat				37.87	
3. Total Funding Decisions (3 = 1 + 2)					524.80
a/ Includes approved Project Formulation Grant amounts.					
b/ Represents accreditation support					
c/ Represents technical assistance					
d/ Includes approved regional projects					
e/ Represents reimbursable contributions from UNEP and Australia to the Administrative Trust Fund					



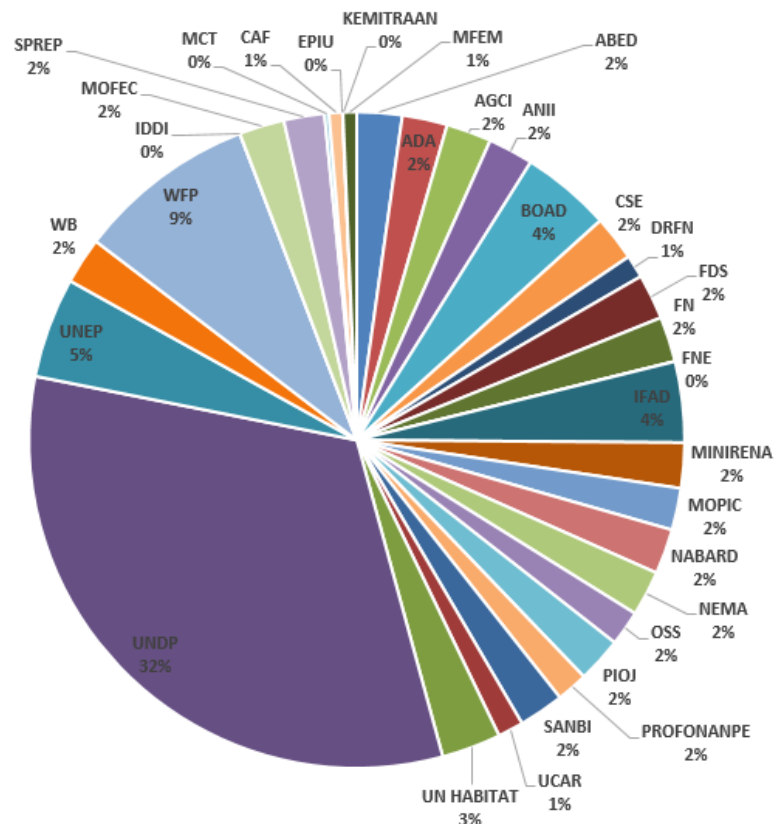
CUMULATIVE FUNDING DECISIONS

Since inception to June 30, 2018 funding approvals made by the AF Board amounted to USD 524.80 million.



FUNDING DECISIONS BY NIE/RIE/MIE

Funding decisions by NIE/RIE/MIE show the cumulative funding decisions related to programs and projects. To date, cumulative funding decisions to NIEs/RIEs/MIEs amount to USD 476.75 million.





5. Funds Available

In USD millions

	As of June 30, 2018 (a)	As of June 30, 2017 (b)	Change since last report (a) - (b)
1. Cumulative Receipts	753.51	649.50	104.00
a. Cash receipts from CER proceeds	199.40	197.82	1.57
b. Cash receipts from Donors and Other Sources	538.29	442.40	95.89
c. Investment Income earned	15.82	9.28	6.54
2. Cumulative Cash Transfers	336.56	270.24	66.32
a. Projects and Programs	294.84	234.28	60.56
b. Operational Expense	41.72	35.96	5.76
3. Funds Held in Trust (3 = 1 - 2)	416.95	379.26	37.68
4. Operational Reserve	3.00	3.00	-
5. Funding Decisions Pending Cash Transfer	188.24	190.37	(2.13)
6. Funds available to support AF Board funding decisions (6 = 3 - 4 - 5)	225.70	185.89	39.81

Note: sub-totals may not add up due to rounding



Annex – Detailed CER Monetization Record

	Calendar Quarter	Sale Method	Quantity	Quarterly Average Market Price	Quarterly Average Price Achieved by the Trustee	Total Euro	Actual USD
2009	Q2	OTC	1,100,000	11.62	11.85	13,030,000	18,244,887
		Exchange	20,000	11.62	10.79	215,700	302,455
	Q3	OTC	-	-	-	-	-
		Exchange	80,000	12.74	13.16	1,044,000	1,519,280
	Q4	OTC	400,000	12.72	12.41	4,965,000	7,372,659
		Exchange	450,000	12.72	13.02	5,860,600	8,689,141
2010	Q1	OTC	1,300,000	11.69	11.93	15,505,000	21,219,352
		Exchange	420,000	11.69	11.59	4,867,200	6,734,673
	Q2	OTC	1,570,000	13.02	13.17	20,684,500	26,768,710
		Exchange	895,000	13.02	13.07	11,693,600	15,068,497
	Q3	OTC	700,000	12.90	13.51	9,454,000	12,049,753
		Exchange	540,000	12.90	12.67	6,839,600	8,866,433
	Q4	OTC	-	-	-	-	-
		Exchange	560,000	12.47	12.48	6,991,500	9,511,362
2011	Q1	OTC	300,000	11.89	12.83	3,847,500	5,437,099
		Exchange	180,000	11.89	11.44	2,059,000	2,746,051
	Q2	OTC	500,000	12.49	13.02	6,509,000	9,357,538
		Exchange	315,000	12.49	12.53	3,946,900	5,662,845
	Q3	Auction	200,000	12.49	12.52	2,504,000	3,567,699
		OTC	-	-	-	-	-
	Q4	Exchange	390,000	9.07	8.81	3,434,600	4,803,998
		OTC	-	-	-	-	-
	Q1	Exchange	40,000	6.21	7.79	311,400	418,332
		OTC	-	-	-	-	-
2012	Q2	Exchange	400,000	4.16	4.37	1,748,100	2,306,972
		OTC	250,000	3.82	3.67	921,500	1,158,337
	Q3	Exchange	1,681,000	3.82	3.81	6,411,770	8,251,269
		OTC	-	0.18	-	-	-
	Q4	Exchange	1,614,000	2.91	2.95	5,006,550	6,224,091
		OTC	6,000	0.18	1.05	6,300	8,027
	Q1	Exchange	959,000	0.18	1.38	1,317,480	1,698,951
		OTC	1,498,000	0.16	0.13	190,280	254,006
2013	Q2	Exchange	-	-	-	-	-
		OTC	144,303	0.28	0.43	62,050	82,030
	Q3	Exchange	-	-	-	-	-
		OTC	300,000	0.60	0.71	212,000	286,740
	Q4	Exchange	-	-	-	-	-
		OTC	1,800,000	0.45	0.49	868,000	1,181,238
2014	Q1	Exchange	-	-	-	-	-
		OTC	655,000	0.31	0.36	216,900	293,664
	Q2	Exchange	-	-	-	-	-
		OTC	1,478,000	0.14	0.19	259,230	335,597
	Q3	Exchange	-	-	-	-	-
		OTC	550,594	0.16	1.37	129,644	165,652
	Q4	Exchange	-	-	-	-	-
		OTC	789,680	0.07	1.35	166,494	208,182
2015	Q1	Exchange	-	-	-	-	-
		OTC	1,696,880	0.02	1.70	2,886,627	3,175,996
	Q2	Exchange	-	-	-	-	-
		OTC	97,415	0.45	2.56	249,430	279,669
	Q3	Exchange	-	-	-	-	-
		OTC	574,273	0.49	0.20	113,720	130,493
	Q4	Exchange	-	-	-	-	-
		OTC	1,327,170	0.59	0.95	1,260,042	1,371,219
2016	Q1	Exchange	-	-	-	-	-
		OTC	72,135	0.40	4.16	299,802	327,512
	Q2	Exchange	-	-	-	-	-
		OTC	65,491	0.41	6.75	442,164	499,286
	Q3	Exchange	-	-	-	-	-
		OTC	23,988	0.39	10.93	262,117	293,240
	Q4	Exchange	-	-	-	-	-
		OTC	286,362	0.33	0.73	208,473	223,416
2017	Q1	Exchange	-	-	-	-	-
		OTC	40,047	0.28	13.00	520,486	562,913
	Q2	Exchange	-	-	-	-	-
		OTC	10,647	0.23	14.00	149,098	163,450
	Q3	Exchange	-	-	-	-	-
		OTC	11,039	0.20	12.71	140,325	168,532
	Q4	Exchange	-	0.21	14.26	-	-
		OTC	373,491	0.18	1.34	498,949	584,781
2018	Q1	Exchange	-	-	-	-	-
		OTC	29,450	0.18	14.05	413,633	506,386
	Q2	Exchange	-	-	-	-	-
		OTC	18,468	0.21	14.26	263,435	315,047
Total			26,712,433			148,987,699	199,397,458

a/ net of EUR 10,000 exchange fees



Glossary

Term	Definition
ABED	Antigua and Barbuda Department of Environment
ADA	Agence pour le Developpement Agricole – Morocco
AGCI	Agencia de Cooperacion Internacional - Chile
ANII	Agencia Nacional de Investigación e Innovación – Uruguay
BOAD	West African Development Bank
CAF	Development Bank of Latin America
CSE	Centre de Suivi Ecologique - Senegal
DRFN	Desert Research Foundation Namibia
EPIU	Environmental Project Implementation Unit - Armenia
FDS	Fundecooperacion Para el Desarrollo Sostenible – Costa Rica
FN	Fundación Natura - Colombia
FNE	Fonds National pour l’Environnement – Benin
IDB	Inter-American Development Bank
IDDI	Dominican Institute of Integral Development
IFAD	International Fund for Agricultural Development
KEMITRAAN	Partnership for Governance Reform in Indonesia
MFEM	Ministry of Finance and Economic Management – Cook Islands
MIE	Multilateral Implementing Entity
MINIRENA	Ministry of Natural Resources - Rwanda
MOFEC	Ministry of Finance and Economic Cooperation – Ethiopia
MOPIC	Ministry of Planning and International Cooperation – Jordan
NABARD	National Bank for Agriculture and Rural Development – India
NEMA	National Environment Management Authority - Kenya
NIE	National Implementing Entity
OSS	Sahara and Sahel Observatory
PIOJ	Planning Institute of Jamaica
PROFONANPE	Fondo de Promoción de las Áreas Naturales Protegidas del Perú
RIE	Regional Implementing Entity
SANBI	South African National Biodiversity Institute
SPREP	Secretariat of the Pacific Regional Environment Programme
UCAR	Unidad para el Cambio Rural – Argentina
UN HABITAT	United Nations Human Settlements Program
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
WB	World Bank
WMO	World Meteorological Organization
WFP	United Nations World Food Program