



ADAPTATION FUND

AFB/B.35.b/8
9 December 2020

ADAPTATION FUND BOARD

Second session of the thirty-fifth meeting
Bonn, Germany (Virtually held)
26–28 October 2020

REPORT OF THE SECOND SESSION OF THE THIRTY-FIFTH MEETING OF THE ADAPTATION FUND BOARD

Introduction

1. The second session of the thirty-fifth meeting of the Adaptation Fund Board (the Board) was held virtually in Bonn, Germany, from 26 to 28 October 2020, in conjunction with the twenty-sixth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC).
2. The list of the members and alternate members who participated in the meeting is attached as Annex I. A list of accredited observers present at the meeting can be found in document AFB/B.35.b/Inf.3.

Agenda Item 1: Opening of the meeting

3. The meeting was opened at 2:00 p.m. Central European Time on 26 October 2020, by the Chair, Mr. Ibila Djibril (Benin, Africa). He welcomed the participants and thanked the secretariat for its help in organizing the session.

Agenda Item 2: Organizational matters

- a) *Adoption of the agenda*

4. The Board adopted the provisional agenda set out in document AFB/B.35.b/1 as the agenda for the second session of the thirty-fifth meeting. In adopting the agenda, the Board agreed to discuss the issue of the eligibility of Parties to the Paris Agreement to access funding from the Adaptation Fund under agenda item 16, 'Other matters'. The agenda is attached in Annex II to the present report.

- b) *Organization of work*

5. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.35.b/2) and adopted the organization of work as proposed by the Chair.

6. The Chair welcomed Ms. Ji Young Choi (Republic of Korea, Asia-Pacific) as a new member of the Board.

7. The following alternate members declared conflicts of interest:

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

Ms. Fatou Ndeye Gaye (The Gambia, Africa).

Agenda Item 3: Report on the activities of the Chair

8. The Chair provided a brief report on the activities he had undertaken, with the support of the Adaptation Fund Board secretariat (the secretariat), on the Board's behalf during the intersessional period between the first and second sessions of the thirty-fifth meeting of the Board as set out in document AFB/B.35.b/Inf.7. With the assistance of the secretariat he had finalized the report of the first session of the thirty-fifth meeting, and had launched a new method for signing project agreements (DocuSign) to overcome the challenges posed by the COVID-19 pandemic. He had signed a number of project and programme agreements, agreements for the Multilateral Implementing Entity (MIE) aggregator programmes for innovation, other grants agreements related to readiness and innovation and a number of cash transfer requests, and had promoted the Fund's work through a number of outreach activities.

9. The Vice-Chair of the Board, Mr. Mattias Broman (Sweden, Annex I Parties) reported on his site visit to Senegal where he had visited the country's National Implementing Entity (NIE) and two of the three projects being implemented in that country. He urged the other members of the Board to undertake such site visits whenever the opportunity to do so presented itself.

10. The Board took note of the reports on the activities of the Chair and the Vice-Chair.

Agenda Item 4: Report on activities of the secretariat

11. The Manager of the secretariat reported on the secretariat's activities during the twelve-month period between the thirty-fourth meeting of the Board and the present meeting, as set out in document AFB/B.35.b/3. In his report he focused on the activities of the secretariat at the Climate Conferences held in Madrid, Spain from 2 to 13 December 2019. He said that the sessions of the Conference of the Parties (COP), and the COP serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Paris Agreement (CMA) had been the busiest that the Fund had ever experienced. There had been six side events, a contributor dialogue, readiness events as well as other events at which the secretariat had either spoken or participated, together with the Chair and Vice-Chair of the Board and various Board members. The secretariat had joined the negotiating sessions as an observer and had conducted a number of bilateral discussions with both recipient and contributor governments.

12. He also reported that the Parties had approved: the amended and restated memorandum of understanding between the CMP and the Global Environment Facility (GEF) regarding secretariat services to the Adaptation Fund Board, and the amended and restated terms and conditions of the services to be provided by the World Bank as trustee to the Adaptation Fund. Both were subsequently approved by the GEF Council and the World Bank, respectively.

13. The Manager of the secretariat said that due to the COVID-19 pandemic the secretariat had been working from home for the past seven months and he expressed his thanks to the members of the secretariat who had worked very hard during that period under very challenging circumstances. He said that as an institution the Board and the secretariat had successfully made the transition to working virtually, starting with the procedural virtual meeting that had been held at the beginning of April 2020. That had been the first virtual meeting of any climate fund and had been followed by the intersessional review of projects, the virtual review of budgets and work plans, the strategy and work programme of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), and the virtual meetings of the Project and Programme Review Committee and the Accreditation Panel. The first virtual portfolio monitoring mission, to Costa Rica, had been held in early August 2020 and there had been a number of other virtual events and activities as well such as webinars, studies and e-learning courses that had also been translated into French and Spanish.

14. The secretariat had also conducted a survey of the effects of the pandemic on the projects supported by the Fund and said that 78 per cent of the implementing entities had reported that they expected the pandemic to have a moderate to high impact on their portfolios that would extend beyond the period of the pandemic, with NIEs expecting an even greater impact. They also reported that monitoring and evaluation had been particularly difficult during the pandemic. He said that project delivery had already been delayed before the survey had been conducted. The respondents had also considered that the pandemic had increased the vulnerability of communities to climate change and had compounded their vulnerability to economic and social risks. In closing he said that the survey had also found that the support of the Fund had remained relevant and had suggested new ways in which the Fund could provide such support.

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

Agenda Item 5: Report of twenty-sixth meeting of the Project and Programme Review Committee

16. Ms. Susana Castro-Acuña Baixauli (Spain, Western Europe and Others), Vice-Chair of the PPRC, presented the report of the PPRC (AFB/PPRC.26.b/19). She said that ten concrete proposals had been technically reviewed by the secretariat of which seven were presented to the PPRC. One of the projects, from a MIE, had been ready for approval but as there was insufficient funding available for it at the present time the PPRC was recommending that it be placed on a waitlist. With respect to a small grant for innovation, the PPRC was recommending that the project for Antigua and Barbuda be approved once the implementing entity had been reaccredited with the Fund.

17. In addition to considering the project proposals the PPRC had also considered strategic issues related to: large grants for innovation, options for further defining innovation in adaptation projects and programmes, and options for a window on enhanced direct access under the Medium-term Strategy, and had made recommendations on those issues. In closing she said that recommendations for projects and programmes not discussed at the twenty-sixth meeting of the PPRC had been subsequently circulated electronically for consideration by the PPRC.

18. In response to a query about the organization and composition of the proposed task force to aid the secretariat in developing the vision of innovation under the Fund, the Manager of the secretariat suggested that the members of the task force be elected under agenda item 13, 'Election of officers for the next period of office'.

19. The Board approved the following decisions on the matters considered by the PPRC at its twenty-sixth meeting:

- a) *Report of the secretariat on the initial screening/technical review of project and programme proposals*

Single- project and programme proposals

Fully-developed proposals

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals:

Côte d'Ivoire: Increasing Rural Communities' Adaptive Capacity and Resilience to Climate Change in Bandama Basin in Côte d'Ivoire (Fully-developed project; International Fund for Agricultural Development (IFAD); CIV/MIE/Agric/2020/1; US\$ 6,000,000).

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

- (a) Not approve the fully-developed project document, as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) Suggest that IFAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should better define and provide more specificity about the sub-projects, including on entities that the project is aiming to develop partnerships with;
 - (ii) The proposal should consider restructuring the outputs of component 2, to clearly show concrete adaptation actions versus others, and revise the detailed budget to show the percentage of funding dedicated to concrete adaptation measures;
 - (iii) The proposal should provide further justification on how the selected solutions are cost effective compared to alternative solutions;
 - (iv) The proposal should further elaborate on the complementarity and coherence with other relevant initiatives in the country;
 - (v) The proposal should better articulate the knowledge management approach, including how learning and lessons will be disseminated; and
- (c) Request IFAD to transmit the observations under subparagraph (b) to the Government of Côte d'Ivoire.

(Decision B.35.b/1)

Gambia, Republic of The: Rural Integrated Climate Adaptation and Resilience Building Project (RICAR) (Fully-developed project; World Food Programme (WFP); GMB/MIE/Rural/2019/1; US\$ 10,000,000).

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

- (a) Note the recommendation that the Adaptation Fund Board:
- (i) Approve the fully-developed project proposal, as supplemented by the clarification responses provided by the World Food Programme (WFP) to the request made by the technical review;
 - (ii) Approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by WFP; and
 - (iii) Request the secretariat to draft an agreement with WFP as the multilateral implementing entity for the project; and
- (b) Place the project on the waitlist pursuant to Decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

(Decision B.35.b/2)

Regional project and programme proposals

Concepts

Proposals from Multilateral Implementing Entities (MIEs)

El Salvador, Honduras: Strengthening the Adaptive Capacities of Climate-Vulnerable Communities in the Goascorán Watershed of El Salvador and Honduras through Integrated Community-Based Adaptation Practices and Services (Concept note; World Food Programme (WFP); LAC/MIE/Food/2018/PD/1; US\$ 11,886,691).

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

- (a) Endorse the concept note submitted by the World Food Programme (WFP);
- (b) Approve the project formulation grant of US \$ 80,000; and
- (c) Encourage the Governments of El Salvador and Honduras to submit, through WFP, a fully-developed project proposal.

(Decision B.35.b/3)

Pre-concepts

Proposals from Regional Implementing Entities (RIEs)

Costa Rica, Dominican Republic: Improving the Adaptive Capacity of Coastal Communities in Costa Rica and the Dominican Republic through Ecosystem-Based Adaptation Strategies (Pre-concept note; Development Bank of Latin America (CAF); LAC/RIE/EBA/2020/PPC/1; US\$ 13,919,202).

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

- (a) Not endorse the pre-concept note, as supplemented by the clarification responses provided by the Development Bank of Latin America (CAF) to the request made by the technical review;

- (b) Suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The proposal should provide a clear articulation of the adaptation rationale, particularly under component 1;
 - (ii) The proponent should elaborate more on the impact of current and predicted climate hazards, and specify their link with the ecosystem health, management and restoration investments;
 - (iii) The proposal should include an initial indication of the anticipated or desired adaptation impacts on people and their livelihoods; and
- (c) Request CAF to transmit the observations under subparagraph b) to the Governments of Costa Rica and Dominican Republic.

(Decision B.35.b/4)

Proposals from Multilateral Implementing Entities (MIEs)

Cameroon, Central African Republic, Chad, Niger, Nigeria: Integrated Water Resources Management and Early Warning System for Climate Change Resilience in the Lake Chad Basin (Pre-concept note; World Meteorological Organisation (WMO); AFR/MIE/Water/2020/PPC/1; US\$ 10,620,000).

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

- (a) Not endorse the pre-concept note, as supplemented by the clarification responses provided by the World Meteorological Organisation (WMO) to the request made by the technical review;
- (b) Not approve the project formulation grant of US\$ 20,000;
- (c) Suggest that WMO reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should include a brief description of the country level context, the challenges and gaps to be addressed by this project as well as a brief description of existing activities addressing the climate vulnerability issues at country and regional level;
 - (ii) The proponent should provide an approximate estimate of investments (weather/monitoring stations) to be funded; and
- (d) Request WMO to transmit the observations under subparagraph c) to the Governments of Cameroon, Central African Republic, Chad, Niger and Nigeria.

(Decision B.35.b/5)

India, Sri Lanka: Strengthening Resilience of Vulnerable Communities in Sri Lanka and India to Increased Impacts of Climate Change (Pre-concept note; World Food Programme (WFP); ASI/MIE/Food/2020/1; US\$ 13,995,524).

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

- (a) Endorse the pre-concept note as supplemented by the clarification responses provided by the World Food Programme (WFP) to the request made by the technical review;
- (b) Request the secretariat to notify WFP of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should substantially develop the cost-effectiveness justification for the selected adaptation measures;
 - (ii) The concept note should explore additional opportunities for partnerships with the private sector, beyond the development of technologies;
 - (iii) The concept should further elaborate on the complementarity and coherence with other relevant initiatives in the region;
- (c) Approve the project formulation grant of US\$ 20,000;
- (d) Request WFP to transmit the observations under subparagraph b) to the Governments of India and Sri Lanka; and
- (e) Encourage the Governments of India and Sri Lanka to submit, through WFP, a concept note that would also address the observations under subparagraph b), above.

(Decision B.35.b/6)

Innovation small grant proposals

Antigua and Barbuda: Innovative Technologies for Improved Water Availability to Increase Food Security in Antigua and Barbuda (Innovation Small Grant; Department of Environment, Ministry of Health, Wellness and the Environment (DOE); ATG/NIE/Water/2020/1/Innovation; US\$ 250,000).

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

- (a) Note the recommendation that the Adaptation Fund Board:
 - (i) Approve the innovation small grant, as supplemented by the additional information provided by the Department of Environment (DOE) to the issues raised by the Board in decision B.35.a-35.b/71;
 - (ii) Approve the funding of US\$ 250,000 for the implementation of the project, as requested by DOE;
 - (iii) Request the secretariat to draft an agreement with DOE as the national implementing entity for the project; and

- (b) Consider the recommendation under subparagraph a) (i)-(iii) above when DOE has the status of “accredited” with the Fund, as defined in document AFB/B.34/5.

(Decision B.35.b/7)

Innovation: large grants for innovation

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

- (a) To approve the process for providing funding for innovation through large grants to Implementing Entities (IEs) as described in document AFB/PPRC.26.b/16; including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in the document;
- (b) That the large grants for innovation would fall outside the country cap approved by the Board in decision B.13/23 or, in the case of regional or multi-regional proposals, the regional provision, whereas they would count against the Multilateral Implementing Entity cap as per decision B.12/9;
- (c) To request the secretariat to prepare the first Request for Proposals to IEs for a total amount of US \$30 million to be launched by the first quarter of calendar year of 2021; and
- (d) To request the secretariat to consider the need to develop specific objectives and indicators for the innovation aspects of the projects, beyond what is included in the regular project performance reporting process and make relevant recommendations to the Board at its thirty-seventh meeting.

(Decision B.35.b/8)

Innovation: Options for further defining innovation in adaptation projects and programmes

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

- (a) Request the secretariat to prepare a document that further clarifies the definition and elaborates on the vision for innovation under the Fund, to guide further programming, taking into account the views and considerations expressed by the members of the Project and Programme Review Committee (PPRC) at its twenty-sixth meeting and by the Board at the second part of its thirty-fifth meeting, and in consultation with the Board and other stakeholders, for consideration by the Board at its thirty-sixth meeting;
- (b) Request the secretariat to present as part of the above-mentioned document an analysis on the relevant elements related to innovation and adaptation, including but not limited to definition of innovation, innovation rationale, innovation review criteria, risk appetite, focus on particularly vulnerable groups, countries, sectors or themes, as well as innovation in the context of COVID-19 pandemic;
- (c) Establish a task force composed of Board members to guide the work under the subparagraphs a) and b) above; and

- (d) Request the secretariat to prepare, based on the above-mentioned analysis, guidance on review criteria for innovation grant proposals for consideration by the Board at its thirty-sixth meeting.

(Decision B.35.b/9)

Options for a window on enhanced direct access under the Medium-term Strategy

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

- (a) To approve the pilot for projects submitted through the window for enhanced direct access (EDA) to promote EDA and further promote locally led adaptation under the Fund;
- (b) That the pilot window to promote EDA projects/programmes shall be available to national implementing entities (NIEs) only, in the form of a grant up to a maximum of US\$5 million per country;
- (c) That the window for EDA will not count against what the country could access under the country cap established by the Board for regular concrete projects/programmes;
- (d) That the execution costs for proposals submitted under the EDA window should be up to a maximum of 12 per cent of the total project/programme budget requested before the implementing entity fees, and should not exceed 1.5 per cent in cases where the Implementing Entity has also taken on the role of Execution Entity for the proposed project/programme activities, and that the implementing entity fee should be up to a maximum of 10 per cent of the total project costs;
- (e) That NIEs submitting proposals through the EDA window should do so using the existing approved proposal template and guideline materials for regular concrete projects/programmes nonetheless taking note of the project fees in subparagraph (d) and that EDA proposals submitted through the two-step project approval process are eligible for the project formulation grant and project formulation assistance grant as per the approved criteria by the Board for those grants;
- (f) That the review cycle and approval of projects/programmes submitted through the EDA window shall follow the review and approval process as well as reporting requirements for regular projects/programmes under the Fund notwithstanding adherence to subparagraph (d) where it concerns the review and approval of project fees; and
- (g) To request the secretariat to present to the PPRC at its twenty-eighth meeting, an analysis of the project review cycle for EDA projects including an update on the implementation status of the EDA window.

(Decision B.35.b/10)

Recommendations for projects and programmes not technically recommended

Single-country projects and programmes

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals

Indonesia: Enhancing the Adaptation Capability of Coastal Community in Facing the Impacts of Climate Change in Negeri (Village) Asilulu, Ureng and Lima of Leihitu District Maluku Tengah Regency Maluku Province (Fully-developed project; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/CZM/2019/1; US\$ 963,456).

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

- (a) Not approve the fully-developed project document, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide further information on the selected measures to ensure sustainability of fish stocks;
 - (ii) The proposal should indicate how the project will evaluate the success of activities focusing on preventing reef bombing;
 - (iii) The proposal should provide a sound justification for why an Environmental Impact Analysis (AMDAL) permit is not required for coral restoration activities, as well as a rationale for the relevance of the previously conducted impact assessment for the seawall restoration activity;
 - (iv) The proposal should clarify the process for obtaining an Environmental Management Business Permit and an Environmental Monitoring Business license;
 - (v) The proposal should update the Environmental and Social Management Plan to include alignment with the Fund's Environmental and Social Policy principles; and
- (c) Request Kemitraan to transmit the observations under subparagraph b) to the Government of Indonesia.

(Decision B.35.b/11)

Indonesia: EMBRACING THE SUN: Redefining Public Space as a Solution for the Effects of Global Climate Change in Indonesia's Urban Areas (Fully-developed project; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Urban/2019/1; US\$ 824,835).

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

- (a) Not approve the fully-developed project document, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan), to the request made by the technical review;
- (b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide more design details on proposed flood resilience measures, specifically regarding public space;
 - (ii) The proposal should include specific estimations of the intended social and economic benefits of the selected concrete interventions, particularly regarding vulnerable groups;
 - (iii) The proposal should provide justification of the cost-effectiveness of the selected adaptation interventions;
 - (iv) The proposal should demonstrate its alignment with any national/technical standards related to the specific sectors/areas of intervention (e.g. standards related to flood resilience);
 - (v) The proposal should include plans for the consultations to refocus component 1 and details on how to integrate outputs from these consultations in the design and implementation of the sector-based interventions;
 - (vi) The proposal should include a Gender Assessment, in line with the Fund's Gender Policy;
 - (vii) The proposal should include a complete Monitoring and Evaluation plan, including sex-disaggregated data, targets and indicators (based on the Gender Assessment), as well indicators for project component 1, specifying the arrangements to be used for monitoring and evaluation; and
- (c) Request Kemitraan to transmit the observations under subparagraph b) to the Government of Indonesia.

(Decision B.35.b/12)

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals

Kyrgyzstan: Regional Resilient Pastoral Communities Project – ADAPT (Fully-developed project; International Fund for Agricultural Development (IFAD); KGZ/MIE/Agric/2019/1; US\$ 9,999,313).

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

- (a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;

- (b) Suggest that IFAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should demonstrate compliance with national technical standards, and with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund;
 - (ii) The proponent should clarify the co-financing aspect and justify the requested financing on the basis of the full-cost of adaptation reasoning; and
- (c) Request IFAD to transmit the observations under subparagraph b) to the Government of Kyrgyzstan.

(Decision B.35.b/13)

Regional projects and programmes

Fully-developed proposals

Proposals from Multilateral Implementing Entities (MIEs)

Angola, Mozambique, Namibia, South Africa, Zimbabwe: Strengthening Adaptive Capacities for Smallholder Farmers in Water Stressed River Basins in Southern Africa (Fully-developed project; United Nations Educational, Scientific and Cultural Organization (UNESCO); AFR/MIE/Water/2019/1; US\$ 14,000,000).

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

- (a) Not approve the fully-developed project document, as supplemented by the clarification responses provided by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review;
- (b) Suggest that UNESCO reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should demonstrate the added value of the specific regional approach involving the five beneficiary countries and the two river basins;
 - (ii) The proposal should demonstrate coherence and synergy between its two components;
 - (iii) The proponent should clarify how the investments under component 2 may not lead to maladaptation, as well as the feasibility of the value chain aggregator concept and how it will deliver concrete adaptation benefits; and
- (c) Request UNESCO to transmit the observations under subparagraph b) to the Governments of Angola, Mozambique, Namibia, South Africa and Zimbabwe.

(Decision B.35.b/14)

Agenda Item 6: Report of twenty-sixth meeting of the Ethics and Finance Committee

34. Ms. Sylviane Bilgischer (Belgium, Annex I Parties), Chair of the EFC, presented the report of the EFC (AFB/EFC.26.b/7) and thanked the members of the EFC for their participation and collaboration in the first successful virtual meeting of the committee. The EFC had heard a presentation of the annual performance report for the year 2020, which was more fully described in the report of the meeting followed by a presentation on the Fund's response to the COVID-19 pandemic. She noted that the secretariat had conducted a survey among the implementing entities on the impact of the pandemic on the projects and said that 78 per cent of the respondents expected that there would be a moderate to high impact on their projects, with the national implementing entities being especially affected.

35. The EFC had also considered the financial status of the Trust Fund, CER monetization and the reconciliation of the Board, secretariat and trustee budgets for the fiscal year 2020. The acting Chair of the AF-TERG had also presented a work update which was more fully described in the report of the meeting. He had proposed the establishment of project working groups (PWGs) and had suggested that they might include members of the EFC as participants. She said that while the EFC had found the idea interesting, questions remained about the work-load and the possibility of a conflict of interest with the supervisory role of the EFC and consequently the EFC was recommending that the Board take note of the information in the work update and that it request the AF-TERG to submit the further information on the proposed PWGs.

36. In response to queries about the purpose and composition of the PWGs it was explained that the PWGs were being created to support the AF-TERG and were to be composed of various stakeholders among whom the AF-TERG was proposing members of the Board or the EFC. However, not enough information had been provided on the roles of the participants in the PWGs and whether there would be any conflicts of interest between the supervisory role of the EFC and participation of its members in the PWGs.

37. In response to a query about whether the PWGs had already been created and their composition decided upon, it was explained that the AF-TERG was an independent body and that the Board could not intervene in its choice of membership for the PWGs. Rather, during the discussion on the issue it had been questioned whether the Board could allow its members to participate in the PWGs if the AF-TERG decided to include them among the stakeholders. More information was therefore being requested on how the members of the Board would participate and whether that would be a conflict of interest with the supervisory role that the Board exercised over the AF-TERG.

38. Having considered the comments and recommendation of the EFC, the Board subsequently took the following decisions on the matters considered by the EFC at its twenty-sixth meeting.

a) *Annual performance report for the fiscal year 2020*

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

(a) Approve the Adaptation Fund's Annual Performance Report (APR) for the fiscal year 2020, as contained in document AFB/EFC.26.b/3; and

(b) Request the secretariat to prepare a summarized version for the general public in a reader friendly format, following the approval of the APR by the Board.

(Decision B.35.b/15)

b) The Fund's response to the COVID-19 pandemic

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

- (a) Take note of the Report on the Adaptation Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the Fund's Portfolio, which highlights the importance of taking immediate actions to enable the projects and programmes supported by the Fund to continue delivering on their objectives;
- (b) Temporarily approve a blanket no-cost extension of the project completion date up to 12 months for eligible projects/programmes which have been delayed due to COVID-19 and were set to be completed within 24 months from the date of the extension request provided that an implementing entity's request of such extension meets the criteria as described in paragraph 33 of document AFB/EFC.26.b/4;
- (c) Temporarily allow, in the context of paragraph 6 of Annex 7 of the Fund's Operational Policies and Guidelines (Project/Programme Implementation) on project material change, an implementing entity (IE) to implement reallocations in budget at the output-level between the original budget and the revised budget, up to a maximum of 20 per cent of the total project budget, without seeking prior approval of the Board, provided that:
 - (i) The concerned reallocations in budget are justified to be related to COVID-19 and to enable the project or programme to achieve its originally set goals and objectives;
 - (ii) The IE must report to the Board on the project budget reallocations part of its annual project performance report;
 - (iii) Project budget reallocations not related to COVID-19 and changes exceeding 20 per cent of total project budget related to COVID-19 shall be subject to the requirements as described under paragraphs 6-8 of Annex 7 of the Fund's Operational Policies and Guidelines (Project/Programme Implementation); and
- (d) Encourage countries to consider, matters related to COVID-19 within the mandate of the Adaptation Fund in their future programming of funding by the Adaptation Fund, in order to achieve a broader resilience by reflecting, as appropriate, the objectives of government recovery plans in future programming.

(Decision B.35.b/16)

c) Report of the acting Chair of the Technical Evaluation Reference Group

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

- (a) Take note of the information contained in paragraph 15 of document AFB/EFC.26.b/Inf.1 on the establishment and use of project working groups (PWGs) during the implementation of evaluative work elements; and
- (b) Request the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) to submit to the Ethics and Finance Committee, at its twenty-seventh meeting, the necessary information on: the objectives, composition and membership of the PWGs, the roles and responsibilities of their members, the timeframe and time commitment, and present options for the possible participation of members of the Board in the work of the PWGs.

(Decision B.35.b/17)**Agenda Item 7: Application of the environmental and social policy by implementing agencies**

42. The representative of the secretariat introduced the documents on the application of the environmental and social policy by the implementing entities (AFB/B.35.b/4, Add.1 and Add.2). She said that to be eligible to submit funding proposals implementing entities had to be accredited with the Fund and follow its fiduciary and safeguard standards when accessing financial resources. There were four categories of accreditation standards, the third and fourth of which were related to this agenda item: they included institutional capacity, transparency, self-investigation and anticorruption measures. She said that those elements were also directly related to ensuring that implementing entities could meet the requirements of the Fund's Environmental and Social Policy and Gender Policy. Consequently, section 11 of the accreditation and reaccreditation application form required entities to provide a 'statement from top management communicating entity's commitment to abide by Adaptation Fund's environmental and social policy and gender policy' as 'evidence of entity's commitment to applying the Fund's Environmental and Social Policy and Gender Policy.'

43. Recently a few implementing entities that were undergoing reaccreditation process had expressed reservations or objections to providing such a top-level management statement and that had stalled their reaccreditation process. The secretariat had undertaken a number of conference calls with those implementing entities to resolve the issue but had subsequently received a letter from one entity, which was contained in document AFB/B.35.b/4/Add.2. As the issue appeared to have multi-dimensional implications beyond the accreditation and reaccreditation process, the secretariat had commissioned an independent study on the matter with a view to providing a comprehensive analysis of, as well as a number of options to address, the issue (AFB/B.35.b/4/Add.1). The Board continued to address the agenda item in a closed session where an independent expert presented the study to the Board.

44. The Board then continued its discussion of the agenda item and considered documents AFB/B.35.b/4/Add.1 and AFB/B.35.b/4/Add.2 in a closed session.

45. Having considered document AFB/B.35.b/4 and its addenda, the Adaptation Fund Board (the Board) decided to:

- (a) Take note of document AFB/B.35.b/4 and its addenda;
- (b) Request the secretariat to intersessionally conduct a survey among the Board with a view to identifying most feasible and optimal options to address the matter; and
- (c) Request the secretariat to conduct an analysis on the options and present it to the Board at its thirty-sixth meeting for its consideration and decision.

(Decision B.35.b/18)**Agenda Item 8: Issues remaining from the thirty-fourth meeting**

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

46. Introducing the sub-item, the representative of the secretariat recalled that in decision B.34/37, the Board had requested the Chair and the secretariat to report to the Board at its thirty-

fifth meeting on progress made in the consideration of the four options for fund-to-fund arrangements described in document GCF/B.22/09, and its Annex 1, and on the progress made in enhancing complementarity and coherence between the Adaptation Fund and the Green Climate Fund (GCF). He explained that information related to the issue of 'Legal Arrangements with the Adaptation Fund' had been included in document GCF/B.24/Inf.08 but that at its 24th meeting the GCF Board had only taken note of the document and that there had been no further update or recommendations on the four options. He said that despite that there had been continued collaboration between the Funds, especially between their secretariats. There had been the piloting of a scaling-up approach between the Funds and they were jointly supporting the community of practice for direct access entities (CPDAE), both of which were more fully described in document AFB/B.35.b/6.

47. It was observed the issue of the 'Legal Arrangements with the Adaptation Fund' would also not be on the agenda of the next meeting of the GCF Board which would take place two weeks after the present meeting. It would be important for the GCF Board to first discuss that legal opinion before the Adaptation Fund Board took any action on the different options. The Board was informed that while the issue of the legal arrangements with the Adaptation Fund was not on the upcoming agenda of the GCF Board, the GCF Board may consider it in the future, and with that understanding it might be better for the Adaptation Fund Board to delay further consideration of the issue.

48. It was also suggested that there needed to be more coordination between the two Funds with respect to the identification of the projects to be scaled up, and it was asked how that had been done for the projects already mentioned. It was important to understand how the GCF could best complement the Adaptation Fund in its effort of scaling-up of its projects and how the two Funds could move into a coordinated operational phase. While some of the projects funded by the Adaptation Fund might need additional support it was important to ensure both that the Adaptation Fund was more visible when that upscaling occurred and that the projects selected for scaling up would be supported in a timely manner. With respect to the CPDAE it was asked what linkages were being contemplated with other funds involved in direct access.

49. The representative of the secretariat explained that the ten projects that had been chosen had been directly selected by the GCF, in consultation with the countries involved, after the mid-term and project review by the Adaptation Fund which had identified them as potential candidates. A coordinated approach between the Funds was being suggested so that when the Fund identified such potential candidates additional funds could be solicited from both the GCF and other funders to upscale them. The Fund was defining the operational parameters for upscaling projects so that they would be able to benefit from collaboration with the GCF and give the Adaptation Fund more visibility.

50. It was asked what had been the reason for the delay in the discussions between the two Funds on the issue of complementarity and coherence, and to what extent the previous work of the Fund had been recognized in the upscaling activities undertaken by the GCF so far. It was suggested that the logo of the Adaptation Fund should be displayed together with that of the GCF in the upscaled projects. The representative of the secretariat said that while he could not speak for the GCF, at its last meeting the issue of legal arrangements with the Adaptation Fund had not been discussed because a number of other strategic documents had been more pressing. He also agreed that issue of the visibility of the Fund is an important matter and that question of the inclusion of the logo of the Fund could be considered once a process had been agreed on with the GCF.

51. Having considered the ongoing efforts on enhancing complementarity between the Green Climate Fund and the Adaptation Fund and document AFB/B.35.b/6 and its annex, the Adaptation Fund Board (the Board) decided to:

- (a) Take note of the report included in document AFB/B.35.b/6 and its Annex I which provides an update on the recent cooperation between the Adaptation Fund and the Green Climate Fund;
- (b) Take note that the Board of the GCF has not yet considered the legal assessment on the Adaptation Fund as contained in the document GCF/B.24/Inf.8;
- (c) Request the Chair and Vice-Chair to continue their active engagement, assisted by the secretariat, in a structured conversation with the GCF Board, with a view to exploring and taking concrete steps to advance the options for fund-to-fund arrangements described in document GCF/B.22/09 and its Annex I;
- (d) Request the secretariat to continue discussions with the GCF to advance the collaborative activities identified at the Annual Dialogue in November 2017, the Technical Workshop in February 2018 and the informal meetings between the Chair and Vice-Chair of the AFB and the Co-Chairs of the GCF in May and September 2018 and at the margins of the twenty-fourth session of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP 24) held in Katowice, Poland; and
- (e) Request the Chair and the secretariat to provide to the Board:
 - (i) A report on the progress made in the activities described in subparagraph (d) above at its thirty-sixth meeting; and
 - (ii) An update on the matters as referred to in subparagraphs (b) and (c) above once they have been considered by the GCF Board.

(Decision B.35.b/19)

- b) Provision of financial resources between single-country and regional concrete adaptation project and programmes (country cap)*

52. The Board addressed the agenda item in a closed session.

53. Having considered the analysis of the provision of financial resources between single-country and regional concrete adaptation project and programmes contained in document AFB/B.35.b/5, the Adaptation Fund Board (the Board) decided to conclude its discussion on the issue at its next meeting.

(Decision B.35.b/20)

Agenda Item 9: Privileges and immunities clause and the Fund's legal agreement

54. The Board addressed the agenda item in a closed session.

55. Having considered the secretariat's review of the Privileges and Immunities clause and the Fund's legal agreement, contained in document AFB/B.35.b/Inf.9, and its Annex I and Annex II, the Adaptation Fund Board (the Board) decided to further consider the issue intersessionally.

(Decision B.35.b/21)

Agenda Item 10: Resource mobilization

56. The Board addressed the agenda item in a closed session.
57. Different views were expressed in relation to resource mobilization, including as to whether it was possible, at this point, to state that overall adaptation funding needs had increased according to the strategic priorities of the Adaptation Fund and due to the impacts of the COVID-19 pandemic, particularly on the poor and vulnerable populations.
58. Having considered the recommendation of the Resource Mobilization Task Force, contained in document AFB/B.35.b/Inf.8, the Adaptation Fund Board (the Board) decided to:
- (a) Approve a new resource mobilization target of US\$ 120 million per year for the biennium 2020-2021, with the understanding that this is an indicative target and that support exceeding it would be welcome; and
 - (b) Request the secretariat to highlight, in its communications and outreach activities, how the overall adaptation funding needs according to the strategic priorities of the Adaptation Fund set out in its Medium-term Strategy on action, as well as due to the impacts of the COVID-19 pandemic, particularly on poor and vulnerable populations, have increased and how this is reflected in increased need for support by the Fund.

(Decision B.35.b/22)

Agenda Item 11: Dialogue with civil society organizations

59. The Board took note of the presentations and recommendations of civil society. The report of the dialogue with civil society is contained in Annex III to the present report.

Agenda Item 12: Extension of terms of members and alternate members

60. The Manager of the secretariat explained that the postponement of the COP to November 2021 had consequences for the membership of the Board. There were eight members and seven alternate members who had been elected at Katowice, Poland in December 2018, and whose term was scheduled to end in March 2021. Without specific measures being taken to address that, their seats would be left vacant and reduce the number of the remaining members and alternates by half. He said that unlike some UNFCCC constituted bodies, the Board did not have a “rollover clause” that allowed members and alternate members to continue serving in their respective positions until a replacement had been elected. As there were several other UNFCCC constituted bodies in the same situation, the Bureau of the COP, the CMP and the CMA (the Bureau) had considered the matter and, at its meeting on 25 August 2020, had extended the current membership of the Convention, Kyoto Protocol and Paris Agreement bodies, as needed, until successors could be appointed or elected. However, two issues needed to be clarified: whether the Board would also need to take a decision on the matter and whether such an extension would apply to all members and alternate members or only to those whose term would expire in March 2021.

61. The legal officer of the UNFCCC Secretariat confirmed that as a number of UNFCCC bodies were in the same situation the Bureau had taken the decision to extend the current membership of the Convention, Kyoto Protocol and Paris Agreement bodies as needed until successors can be appointed or elected. She said that the Executive Secretary of the UNFCCC had sent a notification of that decision to all Parties, observers and observer organizations on 3 September 2020, and a letter to members and alternate members of constituted bodies on 21 September 2020. On 23

October 2020, there had been a meeting with the chairs and coordinators of regional groups and constituencies responsible for nominating candidates; where the secretariat presented the proposed approach to operationalize the Bureau guidance. Chairs and Coordinators were invited to provide feedback on the proposal until the beginning of November 2020. She said that it was proposed that, inter alia, those members and alternate members whose positions are open for appointment or election during the current year would continue in office until elections were held in 2021 and that those members and alternate members whose positions would be open for election in 2021 would continue in office until 2022. That would avoid having all positions on the Board being open for election in 2021 and to keep the staggering of the election of members and alternate members that was required by the decision of the CMP.

62. It was asked if it was possible to take a decision at the present meeting given the pending response of the regional groups and constituencies and it was suggested that it might be better to take a decision intersessionally if such a decision was indeed necessary.

63. The legal officer of the UNFCCC Secretariat explained that the Bureau had emphatically confirmed that current members of Convention, Kyoto Protocol and Paris Agreement bodies were extended as needed until appointment or election of successors and there had been neither an indication that any of those bodies were required to do anything to operationalize that decision nor any invitation by the Bureau for them to take a decision on the issue. She stated that it is uncertain whether the Board could do anything other than take note of the decision; otherwise the Board would appear to be overriding the decision of the Bureau. While the Board was in control of its own rules of procedure, the Bureau had left it to the UNFCCC Secretariat to operationalise its decision. The UNFCCC Secretariat had decided to consult with the regional groups and constituencies on the proposed approach and once their feedback had been received, a notification would be issued to Parties on operationalization of the Bureau guidance.

64. It was observed that while the situation was now clear with respect to the present membership of the Board there was still a need for the Board to put polices in place, at a future meeting, to address similar situations as they might occur again in the future.

65. Having considered the two letters from the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC) (References: ISCP/MTP/O/SEPT.2020 and YN EC-2020-410) and the Rules of Procedure of the Adaptation Fund Board, the Adaptation Fund Board decided to take note of the information contained in the two letters from the Executive Secretary of the UNFCCC.

(Decision B.35.b/23)

Agenda Item 13: Election of officers for the next period of office

66. Following discussion of the need to ensure balanced regional representation among the officers, the Adaptation Fund Board decided to elect:

- (a) Mr. Mattias Broman (Sweden, Annex I Parties) as Chair of the Board;
- (b) Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific) as Vice-Chair of the Board;
- (c) Mr. Evans D. Njewa (Malawi, Least Developed Countries) as Chair of the Accreditation Panel;

- (d) Ms. Eleonora Cogo (Italy) as Vice-Chair of the Accreditation Panel;
- (e) Mr. Mohamed Zmerli (Tunisia, Africa) as Chair of the EFC;
- (f) Ms. Sylviane Bilgischer (Belgium, Annex I Parties) as Vice-Chair of the EFC;
- (g) Ms. Susana Castro-Acuña Baixauli (Spain, Western European and Others Group) as Chair of the PPRC;
- (h) Ms. Ala Druta (Moldova, Eastern Europe) as Vice-Chair of the PPRC; and
- (i) The following members for the Task Force on Innovation pursuant to decision B.35.b/9(c):
 - (i) Ms. Margarita Caso Chávez (Mexico, Latin America and the Caribbean);
 - (ii) Ms. Eleonora Cogo (Italy, Western European and Others Group);
 - (iii) Ms. Patience Dampney (Ghana, Africa);
 - (iv) Ms. Claudia Keller (Germany, Western European and Others Group);
 - (v) Mr. Marc-Antoine Martin (France, Annex I Parties) and
 - (vi) Mr. Nilesh Prakash (Fiji, Small Island Developing States).

(Decision B.35.b/24)

Agenda Item 14: Date and venue of meetings in 2019 and onward

67. Having considered the proposed dates for its meetings during 2021, the Adaptation Fund Board (the Board) decided to:

- (a) Hold its thirty-sixth meeting in Bonn, Germany from 22 to 26 March 2021; and
- (b) Hold its thirty-seventh meeting in Bonn, Germany from 11 to 15 October 2021.

(Decision B.35.b/25)

Agenda Item 15: Implementation of the code of conduct

68. The Chair drew attention to the Code of Conduct and Zero Tolerance Policy on fraud and corruption, which were posted on the Fund website, and asked whether any member had any issue to raise. No issues were raised.

Agenda Item 16: Other matters

Eligibility of Parties to the Paris Agreement to access funding from the Adaptation Fund

69. In response to a query about the ability of those Parties to the Paris Agreement not Parties to the Kyoto Protocol to access support from the Fund, the Manager of the secretariat recalled that the definition of 'the Parties eligible for funding from the Adaptation Fund' is contained in decision 1/CMP.3, paragraph 1, which is also enshrined in the Fund's Strategic Priorities, Policies and Guidelines of the Adaptation Fund (SPPG), and referred only to developing country Parties to the Kyoto Protocol. He said that in the addendum to its report to the CMP at its fifteenth session, the Board had invited the CMP and the CMA to provide guidance on that issue, however, that guidance

had not been forthcoming. Consequently, the issue had again been included in the report that the Board would submit to the next COP, in the section on recommendations for action.

70. The Board took note of the explanation of the Manager of the secretariat.

Agenda Item 17: Adoption of the report

71. The present report was adopted intersessionally by the Board following the second session of the thirty-fifth meeting.

Agenda Item 18: Closure of the meeting

72. Following the customary exchange of courtesies, the Chair declared the meeting closed at 5:40 p.m. Central European Time on 28 October 2020.

ANNEX I**ATTENDANCE AT THE THIRTY-SECOND MEETING OF THE ADAPTATION FUND BOARD**

MEMBERS		
Name	Country	Constituency
Mr. Ibila Djibril	Benin	Africa
Ms. Patience Dampety	Ghana	Africa
Ms. Ji Young Choi	Republic of Korea	Asia-Pacific
Mr. Albara Tawfiq	Saudi Arabia	Asia-Pacific
Ms. Ala Druta	Moldova	Eastern Europe
Ms. Margarita Caso Chávez	Mexico	Latin America and the Caribbean
Mr. Victor Viñas	Dominican Republic	Latin America and the Caribbean
Mr. Nilesh Prakash	Fiji	Small Island Developing States
Ms. Claudia Keller	Germany	Western European and Others Group
Ms. Eleonora Cogo	Italy	Western European and Others Group
Ms. Sylviane Bilgischer	Belgium	Annex I Parties
Mr. Mattias Broman	Sweden	Annex I Parties
Mr. Ali Waqas Malik	Pakistan	Non-Annex I Parties
Mr. Lucas di Pietro	Argentina	Non-Annex I Parties

ALTERNATES		
Name	Country	Constituency
Mr. Mohamed Zmerli	Tunisia	Africa
Ms. Fatou Ndeye Gaye	The Gambia	Africa
Ms. Sheyda Nematollahi Sarvestani	Iran	Asia-Pacific
Mr. Ahmed Waheed	Maldives	Asia-Pacific
Mr. Aram Ter-Zakaryan	Armenia	Eastern Europe
Ms. Mariana Kasprzyk	Uruguay	Latin America and the Caribbean
Ms. Yadira González Columbié	Cuba	Latin America and the Caribbean
Mr. Paul Elreen Phillip	Grenada	Small Island Developing States
Mr. Tshering Tashi	Bhutan	Least Developed Countries
Ms. Susana Castro-Acuña Baixauli	Spain	Western European and Others Group
Mr. Marc-Antoine Martin	France	Annex I Parties
Ms. Antonia Elena Flück	Switzerland	Annex I Parties
Ms. Naima Oumoussa	Morocco	Non-Annex I Parties

ANNEX II**ADOPTED AGENDA OF THE SECOND SESSION OF THE
THIRTY-SECOND MEETING OF THE ADAPTATION FUND BOARD**

1. Opening of the meeting.
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Report on activities of the Chair.
4. Report on activities of the secretariat.
5. Report of the twenty-sixth meeting of the Project and Programme Review Committee (PPRC) on:
 - a) Report of the secretariat on initial screening/technical review of projects and programmes;
 - b) Report of the secretariat on initial screening/technical review of innovation small project proposals;
 - c) Innovation: Large grant proposals;
 - d) Innovation: Options for further defining innovation in adaptation projects and programmes;
 - e) Options for a window on enhanced direct access under the Medium-term Strategy.
6. Report of the twenty-sixth meeting of the Ethics and Finance Committee (EFC) on:
 - a) Annual performance report for the fiscal year 2020;
 - b) The Fund's response to the COVID-19 pandemic;
 - c) Financial issues;
 - d) Report of the Chair of the Technical Evaluation Reference Group.
7. Application of the environmental and social policy by implementing entities.
8. Issues remaining from the thirty-fourth meeting:
 - a) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund

b) Provision of financial resources between single-county and regional concrete adaptation project and programmes (country cap).

9. Privileges and immunities clause and the Fund's legal agreement.
10. Resource mobilization.
11. Dialogue with civil society organizations.
12. Extension of the terms of members and alternate members.
13. Election of officers for the next period of office.
14. Date and venue of meetings in 2021 and onwards.
15. Implementation of the code of conduct.
16. Other matters.
17. Adoption of the report.
18. Closure of the meeting.

Items proposed to be postponed until the next meeting

19. Options to further enhance civil society participation and engagement in the work of the Board.
20. Options to address the issue of an absence of quorum.
21. Knowledge management, communications and outreach.

Items proposed to be considered intersessionally

22. Procedural steps for receiving contributions from alternate sources.
23. Gender policy and gender action plan.

ANNEX III**DIALOGUE WITH CIVIL SOCIETY, 27 OCTOBER 2020, BONN, GERMANY (VIRTUAL)**

1. The Chair of the Adaptation Fund Board, Mr. Ibila Djibril (Benin, Africa), invited the Board to enter into a dialogue with civil society organizations (CSOs).
2. Ms. Paola Zavala, Fundación Futuro Latinoamericano (FFLA) reviewed the organization and structure of the Adaptation Fund NGO Network and reported on the impact of COVID-19 on projects supported by the Adaptation Fund and in particular presented examples taken from Ecuador, India and South Africa. Those effects had varied depending of the severity of the lockdowns. In South Africa restrictions on domestic movement had led to increased transportation costs and delays in project implementation. In India lockdown restrictions had also delayed project implementation and had limited community participation and decision making, increasing the time needed to reach out to people and delaying the disbursement of funding to the executing entities. In Ecuador lockdown restrictions increased the use of virtual communications although limitations with the internet had postponed some stakeholder participation. Of particular concern had been the added burden to women-lead households and businesses caused by the pandemic. That had limited their participation in decision making and had also led to increased gender-based violence.
3. She said that in responding to the challenge of the pandemic project activities had helped establish alternative methods of communication and more resilient communities especially through outreach and dissemination of material on COVID-19. Common challenges had been: delays in the implementation of activities on the ground; limited access to goods and services at the beginning of the pandemic; additional costs for increased interactions; gender effects; impacts on participation and decision-making; the effectiveness of virtual alternatives for capacity-building; the reduced pace and efficiency of working procedures; local governments prioritizing emergency efforts and delays in the disbursement of funding.
4. She recommended that the Fund: show flexibility in the utilization of funds and the management of timelines; consider the need for additional resources, ensure the timely transfer of funds to executing entities; develop additional ways to strengthen communication with national entities and CSOs; promote precautionary measures against the pandemic; establish good practice guides and standards for virtual participation by stakeholders to ensure local collaboration; and consider strengthening health systems and social resilience in the projects.
5. Ms. Elin Lorimer, Indigo Development & Change, presented the recommendations of the NGO Network on lifting of the Country Cap. She said that fear of a lack of resources was blocking the lifting of the country cap but noted that the current cap might also be limiting contributions to the Fund. While the cap had initially been useful to ensure equity, it was now limiting access and urgently needed to be lifted. As of June 2020, 45 of the 72 countries that had accessed funding had effectively reached their cap, and she illustrated the difficulties faced by the countries with examples taken from the Small Island Developing States of the Caribbean region, Georgia, Senegal, and South Africa.
6. There was a need to prioritise applications for funding from those countries that had not yet accessed resources from the Fund and while there was broad support for lifting the cap to US\$ 20 million the NGO Network was proposing a project size cap of US\$ 10 million before considering applications for further funding.

7. Countries that had approached or reached their cap often lacked incentives to complete accreditation a national implementing entity (NIE) and lifting the cap was an opportunity to strengthen incentives for such accreditation by prioritising funding for NIEs. There had to be a balance between regional and national projects in favour of direct access and an annual budget should be defined for regional projects to ensure a focus on direct access. She recommended including regional projects under the cap on funding for multilateral implementing entities (MIEs). Countries should be allowed to accredit NIEs across a range of sectors and the accreditation process should sustainably strengthen national institutions. Other funds did not limit the number of entities that could be accredited. Having reached the cap, NIEs lack sustainable funding sources for their teams and the current cap risked countries shifting their focus to other funding sources, especially as funding availability was low compared to adaptation needs. Some countries had a pipeline of projects awaiting funding and might lack motivation to reaccredit with the Fund without the prospect of future funding access. However, stakeholders valued the Fund as it funded concrete smaller-scale adaptation interventions and pilot programmes, tested new and innovative ideas; did not require co-financing; covered a broad range of sectors; had flexible decision making and an approachable secretariat team; and provided valuable capacity-building support to NIEs.

8. In response to a query about contingency plans Ms. Zavala said that most of the projects had developed informal plans that included biosecurity in their activities and that followed local rules on restrictions on movement, including lockdowns. She also said that the draft update of the Fund's gender policy was important and needed to be approved considering the increased violence against women that she had reported.

9. In response to a query about the increase in transportation costs Ms. Lorimer said in South Africa restrictions on the number of persons that could travel in any one vehicle, or by means of public transport, had led to an increase in the travel costs. She also said it was important not to lose pace on issues such as gender. With respect to a query about those countries that had yet to receive support from the Fund she said that lifting of the country cap to US\$ 20 million should only apply to projects implemented by NIEs so that NIEs had space to apply for funding once the original cap of US\$ 10 million, which was still available to all implementing entities, had been reached. Countries that had not yet had a project approved should be prioritized whether they submitted a proposal through a NIE or a MIE. One of the concerns with lifting the cap without putting in place any other restrictions was that the Fund would be inundated with new proposals and not be able to reserve any funding for those that had not yet accessed support from the Fund. Raising the cap to US\$ 20 million would make more funding available for countries that had reached their cap without creating the danger that all the resources of the Fund would be disbursed. That was the reason why it would also be important to place restrictions on regional implementing entities as well. She noted that a pipeline had been established for projects for MIEs and that if the country cap were raised it might also be necessary to create a pipeline for all projects and if that were the case then an additional requirement should be added to prioritize those projects in the pipeline that were from countries that had not yet accessed resources for the Fund.

10. It was observed that while the idea of such a prioritization was interesting it was not clear that the operational procedures of the Fund would allow for that.

11. The Chair thanked the CSO representatives for their presentations and their recommendations.

ANNEX IV

AFB35.b: Summary of funding decisions for projects and programmes at the second session of the thirty-fifth meeting of the Adaptation Fund Board

1. Full Proposals: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Indonesia (1)	Kemitraan	AFB/PPRC.26.b/4	963,456			Not approve	0
	Indonesia (2)	Kemitraan	AFB/PPRC.26.b/5	824,835			Not approve	0
MIE								
	Côte d'Ivoire	IFAD	AFB/PPRC.26.b/6			6,000,000	Not approve	0
	Gambia	WFP	AFB/PPRC.26.b/7			10,000,000	Waitlist	0
	Kyrgystan	IFAD	AFB/PPRC.26.b/8			9,999,313	Not approve	0
Sub-total, USD				1,788,291	-	25,999,313		0
2. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Angola, Mozambique, Namibia, South Africa, Zimbabwe	UNESCO	AFB/PPRC.26.b/9			14,000,000	Not approve	0
Sub-total, USD					-	14,000,000		0
3. Concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	El Salvador, Honduras	WFP	AFB/PPRC.26.b/10			11,886,691	Endorse	-
Sub-total, USD					-	11,886,691		0
4. Project Formulation Grants: Regional Concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	El Salvador, Honduras	WFP	AFB/PPRC.26.b/10/Add.1			80,000	Approve	80,000
Sub-total, USD					-	80,000		80,000
5. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Costa Rica, Dominican Republic	CAF	AFB/PPRC.26.b/11		13,919,202		Not endorse	0
MIE								
	Cameroon, Chad, Central African Republic, Niger, Nigeria	WMO	AFB/PPRC.26.b/12			10,620,000	Not endorse	0
	India, Sri Lanka	WFP	AFB/PPRC.26.b/13			13,995,524	Endorse	-
Sub-total, USD					13,919,202	24,615,524		0
6. Project Formulation Grants: Regional pre-concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Cameroon, Chad, Central African Republic, Niger, Nigeria	WMO	AFB/PPRC.26.b/12/Add.1			20,000	Not approve	0
	India, Sri Lanka	WFP	AFB/PPRC.26.b/13/Add.1			20,000	Approve	20,000
Sub-total, USD					-	40,000		20,000
TOTAL (1+2+3+4+5+6)				1,788,291	13,919,202	76,621,528		100,000
7. Innovation Small Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Antigua and Barbuda	DOE	AFB/PPRC.26.b/15	250,000			Pending*	0
Sub-total, USD				250,000	-	-		0
GRAND TOTAL (1+2+3+4+5+6+7)				2,038,291	13,919,202	76,621,528		100,000

* In line with the recommendation of the Project and Programme Review Committee to approve the project, the Board will consider approval of the project, via intersessional process, as soon as the status of the IE changes to "accredited".