



ADAPTATION FUND

AFB/B.36/10

2 June 2021

ADAPTATION FUND BOARD

Thirty-sixth Meeting

Bonn, Germany (held virtually), 6–8 April 2021

REPORT OF THE THIRTY-SIXTH MEETING OF THE ADAPTATION FUND BOARD

Introduction

1. The thirty-sixth meeting of the Adaptation Fund Board (the Board) was held from 6–8 April 2021. Due to the ongoing coronavirus disease (COVID-19) pandemic, the meeting took place in a virtual format. It was held two weeks after the twenty-seventh meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) of the Board, both of which also took place online.
2. The meeting was broadcast live through the website of the Adaptation Fund (the Fund).
3. The list of the members and alternate members who participated in the meeting is attached to the present report as annex I. A list of accredited observers present at the meeting can be found in document AFB/B.36/Inf.3.

Agenda Item 1: Opening of the meeting

4. The meeting was opened at 2:20 p.m. (Central European Time (UTC+1)) on 6 April 2021 by the outgoing Chair, Mr. Ibila Djibril (Benin, Africa).

Agenda Item 2: Transition of the Chair and Vice-Chair

5. The outgoing Chair recalled that at the second session of its thirty-fifth meeting, the Board had elected Mr. Mattias Broman (Sweden, Annex I Parties) as Chair of the Board and Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific) as Vice-Chair for the period of office starting at the thirty-sixth meeting. He then handed the Board Chairmanship over to the incoming Chair and Vice-Chair.

Agenda Item 3: Organizational matters

a) Adoption of the agenda

6. The Board adopted the provisional agenda as contained in document AFB/B.36/1. The agenda is attached to the present report as annex II.

b) Organization of work

7. The Board adopted the organization of work in the provisional timetable contained in the annotated provisional agenda (AFB/B.36/2), as orally amended by the Chair to invert the order of consideration of agenda items 4 and 5.

8. The Chair asked for declarations of any conflict of interest, noting that conflicts of interest relating to the report of the Accreditation Panel should only be declared in a closed session, if any, under the relevant agenda item.

9. The manager of the Adaptation Fund Board Secretariat (the secretariat) provided clarification on when a conflict of interest should be declared, explaining that, while not specifically outlined as such in a rule of the Board, the practice was for a member or alternate member to declare a conflict of interest when a proposed project involved his or her country.

10. The following members and alternates declared conflicts of interest:

Ms. Patience Dampsey (Ghana, Africa);

Ms. Sheyda Nematollahi Sarvestani (Iran, Asia-Pacific);

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

Mr. Nilesh Prakash (Fiji, Small Island Developing States);

Mr. Idy Niang (Senegal, Least Developed Countries);

Mr. Tshering Tashi (Bhutan, Least Developed Countries).

Agenda Item 4: Report on activities of the outgoing Chair

11. The outgoing Chair provided an overview of the activities undertaken on the Board's behalf during the intersessional period with the support of the secretariat, as more fully described in document AFB/B.36/Inf.5.

12. The Board took note of the report on activities of the Chair.

Agenda Item 5: Dialogue with Mr. Carlos Manuel Rodriguez, CEO and Chairperson of the Global Environment Facility (GEF)

13. The new Chief Executive Officer (CEO) and Chairperson of the Global Environment Facility (GEF), Mr. Carlos Manuel Rodriguez, addressed the Board. He said that the overall objective of the eighth replenishment cycle of the GEF (GEF-8) was a transformative clean and resilient green and blue recovery from the COVID-19 pandemic. The replenishment cycle did not exist in isolation and was complemented by the previous sixth (GEF-6) and seventh (GEF-7) replenishment cycles. By learning from previous investments in focal areas, and those programmes where the GEF had looked beyond simply dealing with problems and had addressed their root causes, the GEF could be an agent of change towards more sustainable production and a sustainable world. GEF-8 would fully support the commitments made by Parties to the various multilateral environmental agreements (MEAs) and build on the investments made during GEF-6 and GEF-7. That would set a strong basis for systemic change so that the ninth replenishment cycle (GEF-9) could deploy the investments required to make that change.

14. Although the GEF was the largest and oldest environmental Fund it only mobilized a small fraction of the financial resources that were required. Annually, it represented less than one per cent of those global resources; 80 per cent of the resources were mobilized by national public expenditures while the remaining 20 per cent were the combined multilateral, bilateral and private sector contributions. For the GEF to work better within limited resources available, and achieve systemic change, it would need to invest in more policy coherence among the different governmental agencies as currently those agencies were effectively working in institutional silos. While international commitments were made by governments, in the end the necessary planning to implement them was taking place in individual ministries.

15. Better policy coherence between the different government agencies was needed to increase efficiency in investments. More was being invested in activities that increased climate vulnerability than in activities for climate mitigation; vastly more was being invested in activities that caused deforestation than was invested in forest conservation. The GEF saw itself as an agent helping countries develop policy coherence by breaking down institutional silos and addressing institutional failure. Societies were the result of their institutions, and sustainability could not be achieved while retaining the very institutions that had caused the problems being addressed. One way to achieve innovative solutions, was to merge various ministries as had been done with success in Costa Rica. There the Ministry of Energy and Mines and the Ministry of Environment had been merged and a Ministry of Natural Resources created which brought together forestry and national parks to create a strong system of protected areas and reforestation, doubling the size of the forests. The country had achieved 100 per cent renewable energy while tripling the size of the economy and doubling the population. To achieve progress toward sustainability major adjustments needed to be made in institutional frameworks and many countries were undertaking that. Mr. Rodriguez said that the GEF could help with the political dialogues needed to develop and improve institutional frameworks so that they matched the Sustainable Development Goals.

16. To achieve systemic change, Parties needed to mobilize resources from all sources. The multilateral mechanisms had limited capacity to financially support, on a grant basis, all the countries in need of aid. Adaptation to climate change would not be possible without also having access to some very basic information that was generally not available at the country level. The

GEF could play a role in achieving that. What was needed was to understand how much money countries were already investing using their own domestic resources. Current national budget lines were contributing to adaptation but also to environmental loss and damage. More information on that would be extremely valuable for understanding how much money countries were already investing in climate adaptation and how many agencies, both public and private, were involved.

17. Based on that information, and the National Adaptation Plans, investments could be aligned coherently using an adaptation expenditure review that accurately defined financial needs. Currently, that tended to be provided in a top-down and global manner. Mr. Rodriguez said that with better information the Adaptation Fund, and the GEF, could better estimate the financial needs and be more strategic when making investments. Many countries could mobilize the needed domestic resources themselves, although the least developed countries would also still need strategic funding.

18. It was very important to focus on nature-based solutions as well as they were some of the most effective investments that could be made. He gave the examples from Costa Rica previously mentioned as well as its carbon tax. Unlike the carbon taxes imposed in Northern countries that tended to tax fuels in support of more efficient use of fossil fuels and the transition to renewable energy, Costa Rica's tax had generated a fund of US\$ 30 million that had addressed market failures and restored forests, natural landscapes and supported enhanced environmental services.

19. It was possible to increase funding from all sources and efficiently support a blue and green recovery, but achieving that required more integration at several levels. At the multilateral level there needed to be more integration between multilateral environmental agreements and a broad environmental framework was needed that redefined the goals and challenges of sustainability. There also had to be more integration between the different environmental funds. The GEF and the Adaptation Fund shared a long-term vision and were working together in ways that complemented their work. At the country level increased policy coherence and more efficient use of domestic resources was required as the climate funds would never have sufficient resources to fully finance and support the transitional agenda. Instead, a *sui generis* financial system was needed that concentrated efforts on the least developed countries and the small island developing States.

20. The Chair thanked Mr. Rodriguez for outlining his vision for the GEF. It had been interesting to learn that 80 per cent of the needed investments had been funded from domestic resources and that Costa Rica had achieved 100 per cent renewable energy, and doubled the size of its forests and tripled the size of its economy at the same time. He said that Sweden had long had a carbon tax that had also been very efficient in lowering emissions.

21. Mr. Rodriguez said that with a better understanding of the capacity needs of countries there would also be a better understanding of the funding needed for climate adaptation and resilience. It was important to look at new approaches at the country level to deal with the institutional silos that existed within the ministries and between them and national stakeholders. One solution was to move beyond focal points and develop steering committees that represented

the different views in the countries and the regions. Knowledge management had been done in a very formal way at the GEF and a bottom-up approach, implemented through South-South exchanges was preferable. Even though there was cooperation within the different constituencies, that was not often the case between constituencies and he gave the example of Latin America did not have any relationships or exchanges with Africa despite the two regions facing many of the same challenges.

22. Another challenge was to better engage the private sector and civil society to build capacity and he gave the example of a project in Costa Rica that had been supported by the Adaptation Fund. In response to a query on the need to better coordinate the activities of the GEF and the Adaptation Fund he said that he wished to work toward a Memorandum of Understanding between the GEF and the Adaptation Fund to achieve that.

23. The Board took note of the dialogue with the Chief Executive Officer and Chairperson of the Global Environment Facility, Mr. Carlos Manuel Rodriguez.

Agenda Item 6: Report on activities of the secretariat

24. The manager of the secretariat presented the report on activities of the secretariat since the last Board meeting (AFB/B.36/3). He drew particular attention to a virtual exchange with national implementing entities (NIEs) on disaster risk reduction and coastal zone management under the readiness programme and the finalization of the updated gender policy and gender action plan during that period. He also underscored the success of the Adaptation Fund Contributor Dialogue for Ambition in Adaptation Finance, held in mid-December in conjunction with the 2020 Climate Ambition Summit, noting that the Fund had received contributions of over US\$ 116 million in connection with the event, very near the US\$ 120 million target set by the Board in October 2020.

25. Subsequently responding to a question, he provided additional details on the difficulties surrounding the realization of the European Union's 2018 pledge to the Fund, as described in the document. Transfer of the funds had proved impossible owing to the European Union's internal rules. The issues had not been identified earlier as the European Union had never before pledged a contribution to a climate fund under the United Nations Framework Convention on Climate Change (UNFCCC).

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

Agenda Item 7: Report of the Accreditation Panel

27. The Vice-Chair of the Accreditation Panel, Ms. Eleonora Cogo (Italy, Western Europe and Others) presented the report on the Panel's thirty-fifth meeting (AFB/B.36/4). She noted that as at the date of the report, the Fund had had 54 accredited implementing entities, with 7 regional implementing entities (RIEs), 14 multilateral implementing entities (MIEs) and 33 NIEs, including 9 from least developed countries and 7 from small islands developing States. She also provided

a brief summary of reaccreditation work and of issues discussed by the Panel in relation to the accreditation and reaccreditation process, as set out in the report.

28. The Adaptation Fund Board took note of the report of the thirty-fifth meeting of the Accreditation Panel.

Agenda Item 8: Report of the twenty-seventh meeting of the Project and Programme Review Committee (PPRC)

29. Ms. Susana Castro-Acuña Baixauli (Spain, Western European and Others), Chair of the PPRC, presented the report of the PPRC (AFB/PPRC.27/33).

30. Subsequently, the Board took the following decisions on the matters considered by the PPRC at its twenty-seventh meeting. A summary of the PPRC funding recommendations is presented in annex III to the present report.

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

Issues identified during the review process

Regional project and programme funding provision for fiscal year 2022

31. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to include in its work programme for fiscal year 2022 a provision for an amount of US\$ 60 million, to be provisionally set aside as follows:

- (a) Up to US\$ 59 million for the funding of regional project and programme proposals;
- (b) Up to US\$ 1 million for the funding of project formulation grant requests for preparing regional project and programme concepts or fully-developed project documents.

(Decision B.36/1)

Enhanced direct access funding provision for fiscal year 2022

32. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to include in its work programme for fiscal year 2022 a provision for an amount of US\$ 20.2 million, to be provisionally set aside as follows:

- (c) Up to US\$ 20 million for the funding of Enhanced Direct Access projects;
- (d) Up to US\$ 200,000 for the funding of project formulation and project formulation assistance grant requests for preparing Enhanced Direct Access fully-developed project documents.

(Decision B.36/2)

Single-country project and programmes**Fully-developed proposals***Proposals from National Implementing Entities (NIEs)**Small-sized proposals:*

Indonesia (1): 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).

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

- (a) To note the recommendation that the Board:
 - (i) Approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
 - (ii) Approve the funding of US\$ 963,456 for the implementation of the project, as requested by Kemitraan;
 - (iii) Request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project;
- (b) To consider the recommendation under subparagraphs (a) (i) - (iii) above when Kemitraan has the status of “accredited” with the Fund, as defined in document AFB/B.34/5.

(Decision B.36/3)

Indonesia (2): 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).

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

- (a) To note the recommendation that the Board:
 - (i) Approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
 - (ii) Approve the funding of US\$ 824,835 for the implementation of the project, as requested by Kemitraan;
 - (iii) Request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project. Prior to first disbursement, Kemitraan should submit a revised result framework of the project that includes the core impact

indicator “Number of beneficiaries” including estimations for direct and indirect beneficiaries and a second core indicator related to “Assets produced, developed, improved, or strengthened”;

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

(Decision B.36/4)

Regular proposals:

Belize: Enhancing the Resilience of Belize’s Coastal Communities to Climate Change Impacts (Fully-developed project; Protected Areas Conservation Trust (PACT); BLZ/NIE/CZM/2019/1; US\$ 4,000,000).

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

- (a) Not to approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Protected Areas Conservation Trust (PACT) to the request made by the technical review;
- (b) To suggest that PACT 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 formation on the cost-effectiveness of component 3, which relates to the possible beach stabilization measures to be selected;
 - (ii) The proponent should eliminate inconsistencies throughout the proposal in relation to the environmental impact assessments to be undertaken for the coastal protection measures being chosen;
 - (iii) The proposal needs to further document the full cost of adaptation regarding component 3 and clarify how the project objectives under this component will be achieved if the technical assessments to be undertaken cannot be finalized in the planned timeframe;
 - (iv) The proposal needs to clarify the hard engineering measures which could be selected to guarantee beach stabilization, and to improve the environmental and social risk screening and risk mitigation measures;
- (c) To request PACT to transmit the observations under subparagraph (b) to the Government of Belize.

(Decision B.36/5)

United Republic of Tanzania: Bunda Climate Resilience and Adaptation Project (Fully-developed project; National Environment Management Council (NEMC); TZA/NIE/Agric/2019/1; US\$ 1,400,000).

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

- (a) To approve the fully-developed project proposal, as supplemented by the clarification responses provided by the National Environment Management Council (NEMC) to the request made by the technical review;
- (b) To approve the funding of US\$ 1,400,000 for the implementation of the project, as requested by NEMC;
- (c) To request the secretariat to draft an agreement with NEMC as the national implementing entity for the project.

(Decision B.36/6)

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals

Djibouti: Integrated Water and Soil Resources Management Project (Projet de Gestion Intégrée des Ressources en Eau et des Sols PROGIRES) (Fully-developed project; International Fund for Agricultural Development (IFAD); AF00000249; US\$ 5,339,285).

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

- (a) Not to approve the fully-developed project proposal, as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To 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 address how the "positive ratio" in component 2 is evaluated for the cost effectiveness of the project;
 - (ii) The proponent should provide more information with regard to how the project will avoid overlap with similar projects implemented in the same areas, and further information on the synergies with the IFAD-funded COSOP/2019-2024 programme, should be provided;
 - (iii) The proposal should include the list of names of the community representatives that took part in the consultative process;
 - (iv) The proponent should provide more information on the baseline scenario in relation to project component 1, improve the justification for the activities selected,

and clarify what gaps remain to be addressed vis-à-vis other stakeholders included in the baseline;

- (v) The proposal should include clearly-defined targets for indirect beneficiaries of the project and a breakdown of the costs for the monitoring and evaluation funding sources;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Djibouti.

(Decision B.36/7)

Syrian Arab Republic: Increasing the Climate Change Resilience of Communities in Eastern Ghouta in Rural Damascus to Water Scarcity Challenges through Integrated Natural Resource Management and Immediate Adaptation Interventions (Fully-developed project; United Nations Human Settlements Programme (UN-Habitat); SYR/MIE/Water/2019/1; US\$ 9,997,156).

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

- (a) To approve the fully-developed project proposal, as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To approve the funding of US\$ 9,997,156 for the implementation of the project, as requested by UN-Habitat;
- (c) To request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project.

(Decision B.36/8)

Zimbabwe: Strengthening Local Communities' Adaptive Capacity and Resilience to Climate Change through Sustainable Groundwater Utilisation in Zimbabwe (Fully-developed project; United Nations Educational, Scientific and Cultural Organization (UNESCO); ZWE/CIE/Water/2018/1; US\$ 5,000,000).

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

- (a) To approve the fully-developed project proposal, 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) To approve the funding of US\$ 5,000,000 for the implementation of the project, as requested by UNESCO;
- (c) To request the secretariat to draft an agreement with UNESCO as the multilateral implementing entity for the project.

(Decision B.36/9)

Concepts

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals:

Lebanon: Enhancing Water Sector Resilience through Nature-based Adaptation Technologies in North-Lebanon (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000254; US\$ 2,139,174).

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- (b) To request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
 - (i) The fully-developed proposal should consider opportunities to link project component 2 to protocols and standards already agreed by countries under the Barcelona Convention frameworks, which may provide a cost-effective way to elevate lessons learned to the regional level;
- (c) To request FAO to transmit the observation under subparagraph (b) to the Government of Lebanon;
- (d) To encourage the Government of Lebanon to submit, through FAO, a fully-developed project proposal that would also address the observation under subparagraph (b) above.

(Decision B.36/10)

Viet Nam: Building Resilience and Improving Response to Drought and Flood in the North Central Region of Viet Nam to Reduce the Impacts of Climate Change: Inclusive Integrated Management of Drought and Flood (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000252; US\$ 3,580,000).

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- (b) To request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should enhance opportunities for knowledge exchange and the development of private sector synergies;

- (i) The fully-developed project proposal should provide more information on the community's capacity to undertake the management of the small-scale infrastructure to be installed;
- (ii) The fully-developed project proposal should strengthen the environmental and social risk screening, including impact assessments for the principles for which risks have been identified, with adequate management measures;
- (c) To request FAO to transmit the observations under subparagraph (b) to the Government of Viet Nam;
- (d) To encourage the Government of Viet Nam to submit, through FAO, a fully-developed project proposal that would also address the observations under subparagraph (b) above.

(Decision B.36/11)

Yemen: Increase the Climate Change Resilience to Water Scarcity and Sea Level Rise-related Challenges in the Tuban Delta (Concept note; United Nations Human Settlements Programme (UN-Habitat); AF0000250; US\$ 10,000,000).

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

- (a) Not to endorse the concept note, as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision;
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Yemen.

(Decision B.36/12)

*Review of regional project and programme proposals***Fully-developed proposals***Proposals from Regional Implementing Entities (RIEs)*

Angola and Namibia: Resilience Building as Climate Change Adaptation in Drought Struck South Western African Communities (Fully-developed project; Sahara and Sahel Observatory (OSS); AFR/RIE/Rural/2019/PPC/1; US\$ 11,941,038).

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

- (a) Not to approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) To suggest that OSS reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision;
- (c) To request OSS to transmit the observations under subparagraph (b) to the Governments of Angola and Namibia.

(Decision B.36/13)

Proposals from Multilateral Implementing Entities (MIEs)

Côte d'Ivoire, Ghana: Improved Resilience of Coastal Communities in Côte d'Ivoire and Ghana (Fully-developed project; United Nations Human Settlements Programme (UN-Habitat); AFR/MIE/DRR/2017/1; US\$ 13,951,160).

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

- (a) Not to approve the fully-developed project proposal, as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should focus on climate change adaptation, demonstrating the sustainability and innovative character of its activities while showing the added value of the chosen regional approach;
 - (ii) The proponent should demonstrate that the risk of maladaptation is avoided, as well as compliance with the Fund's Environmental and Social Policy and Gender Policy;

- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Côte d'Ivoire and Ghana.

(Decision B.36/14)

Concepts

Proposals from Multilateral Implementing Entities (MIEs)

Azerbaijan, Islamic Republic of Iran: Urbanization and Climate Change Adaptation in the Caspian Sea Region (Concept note; United Nations Human Settlements Programme (UN-Habitat); ASI/MIE/Urban/2019/1; US\$ 14,000,000).

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To request the secretariat to notify UN-Habitat of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should ensure that complementary with other projects and programmes is clearly stated;
 - (ii) The fully-developed project proposal should specify how much of the intended adaptation funds will be directed towards concrete measures, and their overall sustainability;
 - (iii) The fully-developed project proposal should provide details on the project screening process and should include a full gender assessment;
 - (iv) The fully-developed project proposal should incorporate additional consultations with vulnerable and marginalized communities, as required;
- (c) To approve the project formulation grant of US\$ 80,000;
- (d) To request UN-Habitat to transmit the observations under subparagraph (b), above to the Governments of Azerbaijan and the Islamic Republic of Iran;
- (e) To encourage the Governments of Azerbaijan and the Islamic Republic of Iran to submit, through UN-Habitat, a fully-developed proposal that would also address the observations under subparagraph (b) above.

(Decision B.36/15)

Chad, Sudan: Strengthening Resilience to Climate and Covid-19 Shocks through Integrated Water Management on the Sudan – Chad Border Area (SCCIWM) (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000248; US\$ 14,000,000).

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- (b) To request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should provide a more comprehensive analysis to demonstrate its compliance with the Fund's Environmental and Social Policy and Gender Policy;
 - (ii) The fully-developed project proposal should further develop its gender assessment;
- (c) To approve the project formulation grant of US\$ 100,000;
- (d) To request FAO to transmit the observations under subparagraph (b) to the Governments of Chad and Sudan;
- (e) To encourage the Governments of Chad and Sudan to submit, through FAO, a fully-developed project proposal that would also address the observations under subparagraph (b) above.

(Decision B.36/16)

Pre-concepts

Proposals from Regional Implementing Entities (RIEs)

Guinea, Mali, Mauritania, Senegal: Strengthening the Resilience of Climate-vulnerable Communities in the Senegal River Basin Using a Multi-hazard Early Warning System and Enhancing Adaptation Capacity (Pre-concept note; Sahara and Sahel Observatory (OSS); AF00000253; US\$ 14,000,000).

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

- (a) To endorse the pre-concept note as supplemented by the clarification responses provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) To request the secretariat to notify OSS 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 provide more detail on the specific climate issues and their impacts as well as a detailed approach to establishing early-warning systems and the multisectoral actions, both from the regional perspective and in the individual countries;

- (ii) The concept note should provide indications of the budgeted amounts to be directly spent in the rural communities in each of the countries;
- (iii) The concept note should outline options for involving national implementing entities in the project implementation;
- (iv) Provide more information on complementarity and coherence on existing early warning interventions in the region and individual countries, including the Climate Risk and Early Warning System (CREWS) initiative;
- (c) To approve the project formulation grant of US\$ 20,000;
- (d) To request OSS to transmit the observations under subparagraph (b) to the Governments of Guinea, Mali, Mauritania and Senegal;
- (e) To encourage the Governments of Guinea, Mali, Mauritania and Senegal to submit, through OSS, a concept note that would also address the observations under subparagraph (b) above.

(Decision B.36/17)

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; United Nations World Meteorological Organization (WMO); AF00000224; US\$ 10,620,000).

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

- (a) To endorse the pre-concept note submitted by the United Nations World Meteorological Organization (WMO);
- (b) To request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the board's decision and well as the following issue:
 - (i) The proponent should strengthen the climate change rationale and elaborate on synergies with other projects;
- (c) To approve the project formulation grant of US\$ 20,000;
- (d) To request WMO to transmit the observation under subparagraph (b) to the Governments of Cameroon, Central African Republic, Chad, Niger and Nigeria;
- (e) To encourage the Governments of Cameroon, Central African Republic, Chad, Niger, and Nigeria to submit, through WMO, a concept note that would also address the observation under subparagraph (b) above.

(Decision B.36/18)

Costa Rica, Panama: Enhancing the Climate Resilience of Local Livelihoods through Nature-based Tourism in the Caribbean Communities of Limon, Costa Rica, and Bocas del Toro, Panama (Pre-concept note; United Nations Environment Programme (UNEP); AF00000251; US\$ 10,693,000).

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

- (a) Not to endorse the pre-concept, as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) Not to approve the project formulation grant of US\$ 20,000;
- (c) To suggest that UNEP reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision;
- (d) To request UNEP to transmit the observations under subparagraph (c) to the Governments of Costa Rica and Panama.

(Decision B.36/19)

b) Report of the secretariat on initial screening/technical review of innovation small grant project proposals

Bhutan: Building Adaptive Capacity through Innovative Management of Pests/Disease and Invasive Alien Species (IAS) in Bhutan to Enhance Sustainable Agro-Biodiversity and Livelihoods (Innovation Small Grant; Bhutan Trust Fund for Environmental Conservation (BTFEC); BTN/NIE/Agri/2021/1/Innovation; US\$ 250,000).

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

- (a) Not to approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Bhutan Trust Fund for Environmental Conservation (BTFEC) to the requests made by the technical review;
- (b) To suggest that the BTFEC reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, and the following issue:
 - (i) The proposal should provide more information on learning from the project and wider impacts of Giant African Land Snails eradication for a strategy to deal with invasive species in the agricultural sector in the climate change context;
- (c) To request BTFEC to transmit the observation under subparagraph (b) to the Government of Bhutan.

(Decision B.36/20)

Dominican Republic: Strengthening of a Replicable Micro Ecosystem for Accelerated Development of Technologies for Climate Change Adaptation of the Dominican Republic - Phase I - Disruptive Modular Dynamic Floating Breakwater Technology (Innovation Small Grant; Instituto Dominicano de Desarrollo Integral (IDDI); DOM/NIE/CZM/2021/1/Innovation; US\$ 248,734).

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

- (a) Not to approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Instituto Dominicano de Desarrollo Integral (IDDI) to the requests made by the technical review;
- (b) To suggest that the IDDI reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision;
- (c) To request IDDI to transmit the observations under subparagraph (b) to the Government of the Dominican Republic.

(Decision B.36/21)

Zimbabwe: Accelerating Climate Change Resilience through Climate Smart Agriculture and Landscape Management Project in Matobo District, Zimbabwe (Innovation Small Grant; Environmental Management Agency (EMA); ZWE/NIE/EBA/2021/1/Innovation; US\$ 249,970).

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

- (a) Not to approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Environmental Management Agency (EMA) to the requests made by the technical review;
- (b) To suggest that the EMA reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision;
- (c) To request EMA to transmit the observations under subparagraph (b) to the Government of Zimbabwe.

(Decision B.36/22)

c) *Report of the secretariat on initial screening/technical review of learning grant proposal*

Kenya: Grant to Facilitate Learning and Knowledge Sharing (Learning Grant; National Environment Management Authority (NEMA); Kenya/NIE/Multi/2021/Learning; US\$ 143,545).

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

- (a) To approve the learning grant proposal, as supplemented by the clarification responses provided by the National Environment Management Authority (NEMA) to the request made by the technical review;
- (b) To approve the funding of US\$ 143,545 for the implementation of the project, as requested by NEMA;
- (c) To request the secretariat to draft an agreement with NEMA as the national implementing entity for the project. Prior to signature, NEMA should provide clarification on alternative ways to conduct overseas exchanges in case of travel restrictions related to the coronavirus disease pandemic.

(Decision B.36/23)

d) Innovation programme: large grant projects and programmes

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

- (a) To approve the Innovation Large Grant Project Proposal template, the Review Criteria template and the Instructions for Preparing a Proposal for Innovation Large Grants, as described in annexes II, III and IV to document AFB/PPRC.27/28;
- (b) To launch the request for proposals so that submissions of Innovation Large Grants proposals are invited to be considered as early as the thirty-seventh meeting of the Board.

(Decision B.36/24)

e) Report on the Readiness Support Package Pilot

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

- (a) To approve the Readiness Package Grant as a standing window and replacement to South-South Cooperation Grants under the Readiness Programme to provide support for the accreditation of a National Implementing Entity (NIE) of the Fund;
- (b) That the Readiness Package Grant shall be available for accreditation of NIEs only, up to a maximum of US\$ 150,000 per country;
- (c) That Implementing Entities submitting proposals for the Readiness Package Grant should do so using the application form in Annex I of document AFB/PPRC.27/29

and that such proposals should be reviewed using the review sheet in Annex II of document AFB/PPRC.27/29;

- (d) That the review cycle and approval of Readiness Package Grants shall follow the review and approval process as well as reporting requirements for readiness grants under the Fund;
- (e) That already approved South-South Cooperation grants should continue implementation and fulfil all reporting requirements until completion;
- (f) To request the secretariat to prepare an analysis for opening the Readiness Package Grant to non-NIE intermediaries that are accredited implementing entities of the Fund;
- (g) To also request the secretariat to notify all accredited implementing entities of this decision by the Board on the Readiness Package Grant and South-South Cooperation Grants.

(Decision B.36/25)

f) Report of the secretariat on the intersessional review cycle for readiness grants

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

- (a) To request the secretariat to review readiness grant proposals during all intersessional periods between Board meetings while recognizing that such grants may also be reviewed at regular meetings of the Board;
- (b) To request the PPRC to consider intersessionally the technical review of such readiness grant proposals as prepared by the secretariat and to make intersessional recommendations to the Board;
- (c) To consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;
- (d) To also request the secretariat to send a notification to implementing entities and other stakeholders informing them about the new arrangement;
- (e) To further request the secretariat to present, at the twenty-eighth meeting of the PPRC, and at subsequent PPRC meetings following each intersessional review cycle for readiness grants, an analysis of the intersessional review cycle.

(Decision B.36/26)

g) Request for a change in project approval conditions

Fiji: Increasing the Resilience of Informal Urban Settlements in Fiji that are Highly Vulnerable to Climate Change and Disaster Risks (United Nations Human Settlements Programme (UN-Habitat); FJI/NIE/Urban/2016/1; US\$ 4,235,995) (Decision B.30/24).

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

- (a) To take note of the justification for the request for change in the approval conditions provided by the United Nations Human Settlements Programme (UN-Habitat) for the project “Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks (the Project),” as described in Annex 2 and Annex 6 of document AFB/PPRC.27/31;
- (b) To approve, on an exceptional basis, the change in project conditions as referred to in decision B.30/24, subparagraph (d), by replacing it in its entirety by the following: “UN-Habitat shall report to the Board through the annual Project Performance Reports (PPRs), following the guidance document on unidentified sub-projects (USPs) compliance (document AFB/B.32-33/7):
 - (i) The progress and performance in applying the Adaptation Fund’s Environmental and Social Policy (ESP) to the USPs and demonstrating compliance of all the project/programme activities with the ESP;
 - (ii) An updated Environmental and Social Management Plan (ESMP) of the project that would cover all USPs it has identified during the relevant reporting period including a description of the fully formulated USPs, details on their characteristics and, the specific environmental and social setting in which the USPs will be implemented;
 - (iii) The updated ESMP which is to be prepared following the identification of USPs in compliance with the Fund’s ESP is to be attached to the annual PPR.”

(Decision B.36/27)

Solomon Islands: Enhancing Urban Resilience to Climate Change Impacts and Natural Disasters: Honiara (United Nations Human Settlements Programme (UN-Habitat); SLB/MIE/Urban/2016/1; US\$ 4,395,877) (Decision B.30/26).

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

- (a) To take note of the justification for the request for change in the approval conditions provided by the United Nations Human Settlements Programme (UN-Habitat) for the project “Enhancing urban resilience to climate change impacts and natural disasters:

Honiara (the Project),” as described in Annex 2 and Annex 6 of document AFB/PPRC.27/32;

- (b) To approve, on an exceptional basis, the change in project conditions as referred to in decision B.30/26, subparagraph (d), by replacing it in its entirety by the following: “UN-Habitat shall report to the Board through the annual Project Performance Reports (PPRs), following the guidance document on unidentified sub-projects (USPs) compliance (document AFB/B.32-33/7):
 - (i) The progress and performance in applying the Adaptation Fund’s Environmental and Social Policy (ESP) to the USPs and demonstrating compliance of all the project/programme activities with the ESP;
 - (ii) An updated Environmental and Social Management Plan (ESMP) of the project that would cover all USPs it has identified during the relevant reporting period including a description of the fully formulated USPs, details on their characteristics and, the specific environmental and social setting in which the USPs will be implemented;
 - (iii) The updated ESMP which is to be prepared following the identification of USPs in compliance with the Fund’s ESP is to be attached to the annual PPR.”

(Decision B.36/28)

h) Full cost of adaptation reasoning

59. Having considered the recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board (the Board) decided to request the secretariat to develop a report including elements for defining the scope of application of the full cost of adaptation reasoning criterion, taking into consideration the programmatic developments of the Fund, and the views of the Fund’s relevant stakeholders and Board members, in a two-stage manner for consideration at the twenty-eight and twenty-ninth meetings of the PPRC.

(Decision B.36/29)

Agenda Item 9: Report of the twenty-seventh meeting of the Ethics and Finance Committee (EFC)

60. Ms. Sylviane Bilgischer (Belgium, Annex I Parties), Vice-Chair of the EFC, presented the report of the EFC (AFB/EFC.27/12).

61. Following the presentation, Ms. Debbie Menezes, Chair of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), provided additional information on the composition and purpose of advisory groups in response to a question. She explained that the advisory groups would be informal topic-based groups formed to provide advice to the AF-TERG, with balanced representation from across the Fund’s stakeholder groups, ideally including one or two Board members. The manager of the secretariat also provided a clarification on self-

assessments in the context of the classification of implementing entity applicants as regional implementing entities, saying that any information submitted through a self-assessment would be verified during the ensuing accreditation process.

62. Subsequently, the Board took the following decisions on the matters considered by the EFC at its twenty-seventh meeting.

a) *Financial issues*

Work plan of the Board and secretariat for fiscal year 2022

63. Having considered the comments and recommendation of the Ethics and Finance Committee, the Adaptation Fund Board decided to approve the Adaptation Fund Board Secretariat's proposed work plan for fiscal year 2022, as set out in annex I to document AFB/EFC.27/5.

(Decision B.36/30)

Administrative budget of the Board and secretariat and the trustee for fiscal year 2022, and of the AF-TERG and its secretariat for fiscal years 2022–2023

64. A summary of the approved administrative budgets is presented in annex IV to the present report.

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

- (a) To approve, from the resources available in the Adaptation Fund Trust Fund:
 - (i) The proposed budget of US\$ 6,678,575 to cover the costs of the operations of the Board and the Adaptation Fund Board Secretariat over the period from 1 July 2021 to 30 June 2022, comprising US\$ 5,313,075 for secretariat administrative services (the main secretariat budget), US\$ 608,550 for accreditation services and US\$ 756,950 for the Readiness Programme;
 - (ii) The proposed revised budget of US\$ 1,300,829 to cover the costs of the operations of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) and its secretariat for fiscal year 2022, from 1 July 2021 to 30 June 2022, comprising US\$ 689,112 for the management component and US\$ 611,717 for the evaluation component. (The resulting increase of US\$ 113,758 over the originally approved AF-TERG budget for fiscal year 2022 consists of a carry-over of US\$ 52,739 from fiscal year 2021, and a net increase of US\$ 61,019 for fiscal year 2022 that requires an additional transfer from the Trust Fund.);
 - (iii) The proposed budget of US\$ 1,293,049 to cover the costs of the operations of the AF-TERG and its secretariat for fiscal year 2023, from 1 July 2022 to 30 June 2023, comprising US\$ 689,705 for the management component and US\$ 603,344 for the evaluation component;

- (iv) The proposed increase of US\$ 142,000 in the trustee budget for fiscal year 2021;
- (v) The proposed budget of US\$ 861,000 for the trustee services to be provided to the Adaptation Fund during fiscal year 2022;
- (b) To authorize the trustee to transfer the amounts in subparagraphs (a) (i), (ii) and (iii) above to the respective secretariats and the amounts in subparagraphs (a) (iv) and (v) above to the trustee.

(Decision B.36/31)

b) Report of the Chair of the Technical Evaluation Reference Group

AF-TERG progress update on the review and revision of the evaluation framework

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

- (a) To request the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), in consultation with the Adaptation Fund Board Secretariat, to prepare a draft evaluation policy for the Adaptation Fund that would replace the current evaluation framework;
- (b) To request the AF-TERG to submit and present to the EFC, at its twenty-eighth meeting, the draft evaluation policy for the Board's consideration.

(Decision B.36/32)

AF-TERG synthesis of Adaptation Fund final evaluations

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

- (a) To take note of the executive summary of the synthesis of Adaptation Fund final evaluations and five recommendations for the cohort of 17 evaluation reports analysed, as presented in document AFB/EFC.27/8;
- (b) To request the Adaptation Fund Board Secretariat and the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) to consider the five recommendations when updating relevant frameworks/policies, templates and guidance and when planning and implementing evaluations;
- (c) To request the secretariat, in communication with the AF-TERG as necessary, to prepare a management response to the synthesis of Adaptation Fund final evaluations, for the consideration of the Board during the intersessional period between its thirty-sixth and thirty-seventh meetings.

(Decision B.36/33)

AF-TERG advisory groups

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

- (a) To acknowledge and take note of the additional information provided by the Technical Evaluation Reference Group of the Adaptation Fund, on objectives, composition and membership of the advisory groups, roles and responsibilities, timeframe and time commitments, as presented in document AF/EFC.27/9/Rev.2, on Board participation in advisory groups;
- (b) To encourage any member wishing to participate in advisory groups, in an individual/non-representative capacity and on a voluntary basis, to consider the following in making their decision on participation: the required time commitment, their interest in the topic and any perceived or real conflict of interest.

(Decision B.36/34)

c) Report on project inception delays and proposed options

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

- (a) To approve options 2 and 4, as described in document AFB/EFC.27/3, for addressing project and programme inception delays;
- (b) To grant a maximum extension of 12 months for the inception of projects and programmes, subject to their compliance with the requirements under option 2;
- (c) To require any implementing entity whose project or programme experiences, due to exceptional circumstances, a significant delay in inception (exceeding 12 months from the standard inception target of six months from the first cash transfer) to submit to the Board, through the Adaptation Fund Board Secretariat, a “Request for revision of the project implementation schedule, including a revised inception date” for intersessional consideration;
- (d) To request the secretariat to communicate to implementing entities the monitoring requirement(s) under option 2.

(Decision B.36/35)

d) Update on resource mobilization strategy and action plan

70. Having considered the comments and recommendation of the Ethics and Finance Committee, the Adaptation Fund Board (the Board) decided to request the secretariat, in consultation with Resource Mobilization Task Force, to prepare a draft resource mobilization strategy for the period 2021–2024 and a draft resource mobilization action plan and present them to the Board for its consideration at its thirty-seventh meeting.

(Decision B.36/36)

e) *Classification of implementing entity applicants as regional implementing entities*

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

- (a) To approve the review process for certified self-assessment for the determination of whether an implementing entity applicant is eligible to apply for accreditation as a regional implementing entity, as proposed in document AFB/EFC.27/11, and the certified self-assessment form set out in annex I to the document;
- (b) To endorse the proposed definition of regional implementing entity as presented in paragraph 15 of document AFB/EFC.27/11.

(Decision B.36/37)

Other matters

Fiduciary issues related to the United Nations Development Programme

72. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to request the Adaptation Fund Board Secretariat:

- (a) To coordinate with the secretariats of the Green Climate Fund and the Global Environment Facility regarding fiduciary issues associated with the projects implemented by the United Nations Development Programme;
- (b) To provide an update on any implications of the fiduciary issues referred to under subparagraph (a) above for the portfolio of the Adaptation Fund to the EFC at its twenty-eighth meeting:

(Decision B.36/38)

Agenda Item 10: Further clarification of definition of innovation under the Adaptation Fund: analysis of relevant elements and guidance for review criteria

73. The representative of the secretariat presented document AFB/B.36/8 setting out further clarification of the definition of innovation under the Adaptation Fund and an analysis of relevant elements of and guidance for review criteria.

74. During the ensuing discussion, members welcomed the work done by the task force and the secretariat on the question of innovation, but raised a number of issues, including with respect to the need to clearly define what constituted innovation for the Adaptation Fund; the value the Fund added to the general landscape of innovation finance; how innovation could be incorporated into project proposals and operationalized; the importance of ensuring compliance with the Fund's environmental and social guidelines and of understanding the risks in that regard; and the need to consider the full cost of adaptation reasoning, as innovation would be facilitated through multi-

stakeholder processes that would include the private sector. Responding to members' comments and questions, the representative of the secretariat responded that the process was iterative, with lessons learned from each project in the growing portfolio of innovation projects. It was largely up to the project reviewers to assess whether projects had the built-in flexibility that would allow for innovation. Indicators for innovation were currently being developed and would be presented to the Board at its thirty-seventh meeting. In terms of risk, the idea was not to entertain proposals that would put vulnerable communities at risk from a social or environmental perspective but rather to accept the risk that an intervention might not succeed; the Board's appetite for that risk needed to be determined. Regarding consideration of the full cost of adaptation reasoning, a document is expected to be prepared for consideration by the PPRC, and could be expected to cover all Fund funding windows, including innovation projects. It was to be noted that the PPRC was also debating the question of what qualified as innovation.

75. Having considered the analysis contained in document AFB/B.36/8, the Adaptation Fund Board (the Board) decided:

- (a) To take note of the information presented in document AFB/B.36/8 and its annex I;
- (b) To adopt the vision and definition for innovation contained in document AFB/B.36/8, as well as the innovation review criteria contained in annex I to document AFB/B.36/8;
- (c) To request the secretariat to develop, in line with decision B.35.b/9, under the continued guidance of the task force for innovation, an updated document that further refines the elements related to innovation and adaptation outlined in document AFB/B.36/8, which contains the elements below, and to present it to the Board for its consideration at its thirty-eighth meeting:
 - (i) Analysis of the global landscape of finance for innovation in climate adaptation, along with any gaps;
 - (ii) Identification of potential types of risks related to innovation projects funded by the Adaptation Fund, with recommendations on the flexibility on acceptable levels specific to the type of risk;
 - (iii) A proposal on the piloting of the establishment of an advisory body to support the Adaptation Fund's work on innovation on an ongoing basis.

(Decision B.36/39)

Agenda Item 11: Issues remaining from the second session of the thirty-fifth meeting

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

76. In considering the subitem, the Board had before it an update on the discussions related to potential linkages between the Adaptation Fund and the Green Climate Fund (GCF) (AFB/B.36/6). That report contained the results of the fourth annual dialogue on climate finance

delivery channels, the ongoing discussions by the two funds on the pilot scaling-up approach to promote complementarity and coherence between them, and on joint activities to promote the community of practice for direct access entities (CPDAE) and discussions on complementary in matters related to accreditation.

77. In the discussion that followed it was suggested that until the CGF had reconsidered the matter of closer cooperation between the funds, further reports should be included in the report of the secretariat on its intersessional activities and not presented as a separate agenda item. It was also asked whether there was any streamlined approach to the accreditation of entities with successful projects. It was also noted that both the secretariat and the Chair and Vice-Chair of the Fund had been requested to report on the continued discussions with the GCF and it was asked whether that entailed two separate reports or simply a common and joint report. A query was also raised about the status of the legal opinion that the GCF had requested on cooperation with the Fund.

78. Responding to members' comments and questions, the representative of the secretariat explained that the scaling-up approach would streamline the identification and approval of funding for projects that had already been successfully implemented; that was a work in progress but some steps had been identified that might shorten the review process. The discussions between Chair and Vice-Chair and the co-chairs of the GCF ordinarily took place in the margins of the meetings of the Conference of the Parties. The legal opinion commissioned by the GCF had not yet been finalized as the GCF was still discussing the issue and he said that the 2019 roadmap, mentioned in the draft decision, would be updated to include an additional seventh activity and be attached to the present report as Annex V.

79. The Chair said it would be useful to retain the issue of the strategic discussions between the Fund and the GCF on the agenda of the Board.

80. Having considered the ongoing efforts to enhance complementarity between the Adaptation Fund and the Green Climate Fund (GCF), as outlined in document AFB/B.36/6 and its annex I, the Adaptation Fund Board (the Board) decided:

- (a) To take note of the report included in document AFB/B.36/6 which provides an update on the recent cooperation between the Adaptation Fund and the Green Climate Fund;
- (b) To request the Chair and Vice-Chair to continue their active engagement with the GCF Board, assisted by the secretariat, with a view to further exploring complementarity and coherence between the two funds and taking concrete steps to advance the options for fund-to-fund arrangements described in document GCF/B.22/09 and its appendix;
- (c) To request the secretariat to continue discussions with the GCF to advance the collaborative activities identified at the Annual Dialogue in November 2020 and

progress in implementing the seven activities of the roadmap (annex I to document AFB/B.36/6);

- (d) To request the Chair and secretariat to provide the Board with:
 - (i) A report on the progress made in the activities described in subparagraph (c) above at its thirty-seventh meeting;
 - (ii) An update on the matter referred to in subparagraph (b) above once it has been considered by the GCF Board.

(Decision B.36/40)

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

81. As the subitem had multi-faceted implications, including political ones, the Board agreed to consider it in a closed session, in accordance with paragraph 20 of its rules of procedure. In considering the subitem, the Board had before it an analysis of the provision of financial resources between single-country and regional concrete adaptation project and programmes (AFB/B.36/5).

82. Having considered the analysis contained in document AFB/B.36/5, the Adaptation Fund Board (the Board), decided:

- (a) To revise the cap per country established by decision B.13/23 from US\$ 10 million to US\$ 20 million for all eligible developing country Parties, so that any Party could access a total of up to US\$ 20 million from the Adaptation Fund once it had accessed funding amounting to at least US\$ 8 million for concrete single-country adaptation projects or programmes or once four years had passed since approval of the first concrete single-country adaptation project(s)/(programme(s) by the Board, whichever occurred earlier;
- (b) To set a maximum level of US\$ 10 million for an individual funding request for single-country concrete adaptation projects, provided that lower maximum levels could be set by the Board in specific circumstances, such as in the case of national implementing entities accredited through the streamlined process;
- (c) To maintain the processes already put in place for the allocation of funding for regional projects and programmes, i.e., the provision on an annual basis (fiscal year) of a specific amount for the funding of regional project and programme proposals and the pipeline established through decision B.31/3;
- (d) To assess implications of decision B.36/41 three years after the thirty-sixth meeting of the Board, taking into consideration resource availability, equitable access to funds, accreditation progress and programmatic development of the Fund;
- (e) To inform the designated authorities and accredited implementing entities of this decision.

(Decision B.36/41)

83. Having considered the analysis contained in document AFB/B.36/5, the Adaptation Fund Board (the Board), decided:

- (a) To enable the accreditation of up to two National Implementing Entities (NIEs) per country for eligible developing-country Parties, and to request the secretariat to reflect that change in the Operational Policies and Guidelines (OPG) and to submit the revised OPG for consideration by the Board at its thirty-seventh meeting;
- (b) To strongly encourage countries to make use of the direct access modality of the Adaptation Fund in order to enhance national capacity and country ownership, including, whenever possible, through the accreditation of NIEs and the submission of projects through the same.

(Decision B.36/42)

c) Application of the environmental and social policy by implementing agencies

84. As the subitem had multi-faceted implications, including political ones, the Board agreed to consider it in a closed session, in accordance with paragraph 20 of its rules of procedure. In considering the subitem, the Board had before it documents marked as confidential owing to the proprietary and/or confidential information, as well as deliberative information, contained therein, which was exempt from disclosure as per paragraph 26 of the Rules of Procedure of the Board and Fund's Open Information Policy.

85. Having considered document AFB/B.36/9 and its annexes I and II, and document AFB/B.36/9/Add.1, the Adaptation Fund Board decided:

- (a) To maintain the status quo of the requirement of "top-level management statement communicating the entity's commitment to abide by the Adaptation Fund's environmental and social policy and gender policy" (TLMS) for accreditation and reaccreditation;
- (b) To request the secretariat to communicate the present decision to the implementing entities and applicants that have refused or failed to submit the TLMS as required.

(Decision B.36/43)**Agenda Item 12: Issues remaining from the earlier meetings**

a) Options to further enhance civil society participation and engagement in the work of the Board

86. The representative of the secretariat presented document AFB/B.36/7 which set out the results of a survey of the views of the Board on the participation by civil society in its work. Only 11 of the 29 Board members and alternate members had responded to the survey and she

cautioned that due to the relatively small number of responses, the aggregate results might not fully represent the overall views of the Board. The secretariat had grouped the responses into: those receiving majority support, those receiving majority opposition, and those on which opinion was divided. There appeared to be two options open to the Board: either to approve the implementation of the individual items on which there had been majority agreement or to wait before doing that and develop a policy or guideline on the matter as a preliminary step.

87. The Chair said that it might be possible for the Board to move forward with both options.

88. There was general agreement that guidelines on the inclusion of civil society were necessary, but in order to do that the secretariat should look at what other funds did in that regard. However, it was also observed that the Board had previously requested precisely that information. It was suggested that the practice of the European Investment Bank and the World Bank should be included in addition to the practice of the GCF and the other funds reporting under the UNFCCC. Clarity was needed on the meaning civil society to ensure that the term captured everyone that the Board wished to include. Any policy should be written down and it was noted that it, and other documents, should be available in local languages as well, or at least in French and Spanish, and perhaps also Arabic.

89. It could be possible to proceed with some of the proposed changes, especially those that were already being partially implemented by the Fund, provided that the Board understood the initial and recurring costs involved. While it was important to ensure greater transparency, that had to be balanced against any additional work required and any delays that created. To ensure the integrity of the Fund, any changes would need to be efficient, cost effective, impose a minimal burden and respect any need for confidentiality in the handling of information. It would be interesting to also see any of the previous documents of the Board that related to the issue.

90. It was asked why there had been so few replies to the survey, and it was questioned whether it was possible to move forward with it given the lack of a quorum for the responses. It was asked whether the suggestions were in line with those that had been made by civil society at the present meeting. While it might be possible to approve some recommendations, if they had been supported by the majority of the respondents and were efficient in terms of costs and workload, the other options needed further study and careful reflection.

91. The representative of the secretariat said that the Fund lacked a formal policy on the inclusion of civil society. In 2019 it had reported on the issue and had included information on the practice of the GCF, the GEF and Climate Investment Funds (CIF). She explained that issues surveyed reflected the recommendations made by the Adaptation Fund NGO Network in 2020 and consequently did not include any new issues raised by them during the dialogue with civil society at the present meeting. The manager of the secretariat confirmed that the Fund had no definition of civil society.

92. In light of that information, it was premature to go beyond requesting the development of a definition of civil society and perhaps the drafting preliminary guidance for a policy on the issue. It was also noted that both the secretariat and the participants from civil society needed to be

seen as being impartial and that could be compromised if the expenses of civil society were paid out of the administrative budget of the Fund.

93. The manager of the secretariat said that while quorum was required for the deliberations of the Board there appeared to be no such rule for the preparation of the documents for the Board meetings. There would necessarily be a quorum when the Board met to consider the documents.

94. Ms. Julia Grimm, Germanwatch, speaking at the invitation of the Chair on behalf of civil society, said that the private sector should not be included in the definition of civil society. It could, however, be asked to participate in addition to civil society and a policy could be developed to facilitate that. The Adaptation Fund NGO Network was open to all civil society organizations and would be pleased to work with the secretariat and the Board to develop a policy for the participation of the civil society in the work of the Board.

95. Having considered the information contained in document AFB/B.36/7, the Adaptation Fund Board (the Board) decided to request the secretariat:

- (a) To resubmit the initial survey including the updated questions among the Board members and alternates, during the intersessional period between its thirty-sixth and thirty-seventh meetings, which reflect the Board's discussions held at its thirty-sixth meeting, including on the need of defining civil society organizations;
- (b) To conduct a study on the need for a policy for civil society engagement with the Adaptation Fund, taking into account the practices and policies of other climate funds;
- (c) To present a document containing the outcome of the work as referred to in subparagraphs (a) and (b) above for the Board's consideration at its thirty-seventh meeting.

(Decision B.36/44)

Agenda Item 13: Knowledge management, communications and outreach

96. Representatives of the secretariat provided information on activities undertaken by the secretariat since the thirty-fourth meeting of the Board in the areas of knowledge management, communication and outreach, as set out in the report on activities of the secretariat (AFB/B.36/3).

97. Members welcomed the information provided and the work of the secretariat in those areas, and underscored the importance of promotion of the Fund's work and project results, not only by the recipient countries but also directly by the Fund itself. It was suggested that Board members be included in meetings with national entities as a means of enhancing communication of the Fund's work, and that regional thematic knowledge-sharing events be organized to enable countries with common climate impacts to share their experiences.

98. Responding to members' comments as well as to a number of questions posed, the representatives of the secretariat indicated that country promotion of project results occurred

through the mandatory knowledge management component of projects, and could be witnessed during portfolio monitoring missions. In addition, the secretariat had built good relationships with NIE communications teams and collaborated with them on sharing and developing promotional materials. Countries also spoke about their efforts at international forums. The Fund's work was also promoted through capsules on the "Partners & Supporters" page of the "About" section of the Fund's website, which provided information on the donors and their contributions to the Fund. In addition, the secretariat regularly incorporated quotes by contributors into press releases on donations, and vice versa. The manager of the secretariat added that an effort was made to involve local Board members when events were held in their countries, as well as in portfolio monitoring missions. Country exchanges were another potential avenue for Board member involvement. With respect to regional thematic discussions, a study laying out findings on locally led adaptation had been issued in late 2020 and shared through regional events. It was noted that regional events, particularly readiness seminars, were often publicized ahead of time through press releases. Videos on global and some regional readiness events had also been produced and were available.

99. The Board took note of the information provided.

Agenda Item 14: Dialogue with civil society organizations

100. The report on the dialogue with civil society organizations is set out in annex VI to the present report.

Agenda Item 15: Date and venue of meetings in 2021 and onward

101. The manager of the secretariat recalled that the Board had previously decided to hold its thirty-seventh meeting in Bonn, Germany, from 11–15 October 2021; however, given the evolution of the COVID-19 pandemic, it was advisable to consider options for holding the meeting virtually. He also presented options for the thirty-eighth and thirty-ninth meetings of the Board, in 2022.

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

- (a) To hold its thirty-seventh meeting:
 - (i) In Bonn, Germany, from 11–15 October 2021, if a physical meeting was possible, including the meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) and the meeting of the Board;
 - (ii) Virtually, from 18–22 October 2021, if a physical meeting was not possible, preceded by virtual meetings of the PPRC and EFC from 11–15 October 2021;
- (b) To request the Chair of the Board, supported by the secretariat and informed by a survey among Board members and alternates, to determine whether a physical meeting is possible, considering the global situation of the COVID-19 pandemic and related implications on travel and gatherings, as well as the need for an equal

opportunity of Board members to participate, and to circulate a decision in line with option (i) or (ii) in subparagraph (a) above to the Board for approval intersessionally;

- (c) To hold its thirty-eighth meeting in Bonn, Germany, from 14-18 March 2022;
- (d) To hold its thirty-ninth meeting in Bonn, Germany, from 10-14 October 2022.

(Decision B.36/45)

Agenda item 16: Code of conduct

103. The Vice-Chair drew attention to the code of conduct and the zero tolerance policy for fraud and corruption and the procedure for reporting issues in that regard to the EFC, and asked the Members and Alternates whether they wished to raise any issues related to the implementation of the code of conduct. No issues were raised.

Agenda item 21: Other matters

104. No other matters were raised.

Agenda item 22: Adoption of the report

105. The present report was prepared by Chair following the closure of the meeting, with the assistance of the secretariat, and was adopted by the Board intersessionally.

Agenda item 23: Closure of the meeting

106. Following the customary exchange of courtesies, the Chair declared the meeting closed at 7:00 p.m. (Central European Time (UTC+1)) on 8 April 2021.

ANNEX I

ATTENDANCE AT THE THIRTY-SIXTH MEETING OF THE ADAPTATION FUND BOARD

MEMBERS		
Name	Country	Constituency
Mr. Ibila Djibril	Benin	Africa
Ms. Patience Damphey	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
Mr. Idy Niang	Senegal	Least Developed Countries
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
Mr. Evans Njewa	Malawi	Non-Annex I Parties

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

1. Opening of the meeting.
2. Transition of the Chair and the Vice-Chair.
3. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
4. Report on activities of the outgoing Chair.
5. Dialogue with Mr. Carlos Manuel Rodriguez, CEO and Chairperson of the Global Environment Facility (GEF).
6. Report on activities of the secretariat.
7. Report of the Accreditation Panel.
8. Report of the twenty-seventh meeting of the Project and Programme Review Committee (PPRC) on:
 - a) Report of the secretariat on initial screening/technical review of project and programme proposals;
 - b) Report of the secretariat on initial screening/technical review of innovation small grant project proposals;
 - c) Report of the secretariat on initial screening/technical review of learning grant proposal;
 - d) Innovation Programme: Large grant projects and programmes;
 - e) Report on the Readiness Support Package Pilot;
 - f) Report of the secretariat on the intersessional review cycle for readiness grants;
 - g) Request for a change in project approval conditions;
 - h) Full cost of adaptation reasoning.
9. Report of the twenty-seventh meeting of the Ethics and Finance Committee (EFC) on:
 - a) Financial issues;

- b) Report of the Chair of the Technical Evaluation Reference Group;
 - c) Report on project inception delays and proposed options;
 - d) Update on resource mobilization strategy and action plan;
 - e) Classification of implementing entity applicants as regional implementing entities.
10. Further clarification of definition of innovation under the Adaptation Fund: Analysis of relevant elements and guidance for review criteria.
11. Issues remaining from the second session of the thirty-fifth 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-country and regional concrete adaptation project and programmes (country cap);
 - c) Application of the environmental and social policy by implementing agencies.
12. Issues remaining from earlier meetings:
- a) Options to further enhance civil society participation and engagement in the work of the Board.
13. Knowledge management, communications and outreach.
14. Dialogue with civil society organizations.
15. Date and venue of meetings in 2021 and onwards.
16. Implementation of the code of conduct.
17. Other matters.
18. Adoption of the report.
19. Closure of the meeting.

ANNEX III

AFB36: Summary of funding decisions for projects and programmes at the thirty-sixth 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)	Kem traan	AFB/PPRC.27/5	963,456			Pending*	0
	Indonesia (2)	Kem traan	AFB/PPRC.27/6	824,835			Pending*	0
	Belize	PACT	AFB/PPRC.27/7	4,000,000			Not approve	0
	Tanzania (United Republic of)	NEMC	AFB/PPRC.27/8	1,400,000			Approve	1,400,000
MIE								
	Djibouti	IFAD	AFB/PPRC.27/9			5,339,285	Not approve	0
	Syrian Arab Republic	UN-Habitat	AFB/PPRC.27/10			9,997,156	Approve	9,997,156
	Zimbabwe	UNESCO	AFB/PPRC.27/11			5,000,000	Approve	5,000,000
	<i>Sub-total, USD</i>			<i>5,400,000</i>	<i>-</i>	<i>20,336,441</i>		<i>16,397,156</i>
2. Concepts: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Lebanon	FAO	AFB/PPRC.27/12			2,139,174	Endorse	-
	Viet Nam	FAO	AFB/PPRC.27/13			3,580,000	Endorse	-
	Yemen	UN-Habitat	AFB/PPRC.27/14			10,000,000	Not endorse	-
	<i>Sub-total, USD</i>			<i>-</i>	<i>-</i>	<i>15,719,174</i>		<i>-</i>
3. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Angola, Namibia	OSS	AFB/PPRC.27/15		11,941,038		Not approve	0
MIE								
	Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.27/16			13,951,160	Not approve	0
	<i>Sub-total, USD</i>			<i>-</i>	<i>11,941,038</i>	<i>13,951,160</i>		<i>0</i>
4. Concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Azerbaijan, Iran (Islamic Republic of)	UN-Habitat	AFB/PPRC.27/17			14,000,000	Endorse	-
	Chad, Sudan	FAO	AFB/PPRC.27/18			14,000,000	Endorse	-
	<i>Sub-total, USD</i>			<i>-</i>	<i>-</i>	<i>28,000,000</i>		<i>-</i>
5. 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								
	Azerbaijan, Iran (Islamic Republic of)	UN-Habitat	AFB/PPRC.27/17/Add.1			80,000	Approve	80,000
	Chad, Sudan	FAO	AFB/PPRC.27/18/Add.1			100,000	Approve	100,000
	<i>Sub-total, USD</i>			<i>-</i>	<i>-</i>	<i>180,000</i>		<i>180,000</i>
6. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.27/19		14,000,000		Endorse	-
MIE								
	Cameroon, Central African Republic, Chad, Niger, Nigeria	WMO	AFB/PPRC.27/20			10,620,000	Endorse	-
	Costa Rica, Panama	UNEP	AFB/PPRC.27/21			10,693,000	Not endorse	-
	<i>Sub-total, USD</i>			<i>-</i>	<i>14,000,000</i>	<i>21,313,000</i>		<i>-</i>
7. 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
RIE								
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.27/19/Add.1		20,000		Approve	20,000
MIE								
	Cameroon, Central African Republic, Chad, Niger, Nigeria	WMO	AFB/PPRC.27/20/Add.1			20,000	Approve	20,000
	Costa Rica, Panama	UNEP	AFB/PPRC.27/21/Add.1			20,000	Not approve	0
	<i>Sub-total, USD</i>			<i>-</i>	<i>20,000</i>	<i>40,000</i>		<i>40,000</i>
TOTAL (1+2+3+4+5+6+7)				5,400,000	25,961,038	99,539,775		16,617,156

8. Innovation Small Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Bhutan	BT FEC	AFB/PPRC. 27 /23	250,000			Not approve	0
	Dominican Republic	IDDI	AFB/PPRC. 27 /24	248,734			Not approve	0
	Zimbabwe	EMA	AFB/PPRC. 27 /25	249,970			Not approve	0
<i>Sub-total, USD</i>				748,704				-
9. Learning Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Kenya	NEMA	AFB/PPRC. 27 /27	143,545			Approve	143,545
<i>Sub-total, USD</i>				143,545	-	-		143,545
GRAND TOTAL (1+2+3+4+5+6+7+8+9)				6,292,249	25,961,038	99,539,775		16,760,701

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

ANNEX IV

**Approved FY21 and FY22 budget of the Board and Secretariat, and the Trustee, and Approved
FY21, FY22 and FY23 budgets of the AF-TERG and its secretariat**

All amounts in US\$	FY21 Approved	FY21 Estimate	FY22 Approved	
BOARD AND SECRETARIAT				
1 Personnel	3,247,224	3,131,130	4,111,220	
2 Travel	492,000	5,000	456,000	
3 General operations	479,700	390,000	508,875	
4 Meetings	247,362	70,000	236,980	
Sub-total secretariat administrative services [a]	4,466,286	3,596,130	5,313,075	
5 Accreditation [b]	548,250	441,300	608,550	
6 Readiness Programme [c]	652,960	100,100	756,950	
Total Board and Secretariat [a] + [b] + [c]	5,667,496	4,137,530	6,678,575	
All amounts in US\$	FY21 Approved	FY21 Estimate	FY22 Revised Approved	FY23 Approved
AF-TERG AND ITS SECRETARIAT				
1 Personnel	350,929	440,016	408,083	414,197
2 Travel	130,779	-	134,702	138,744
3 General operations	113,320	100,581	136,327	126,564
4 Meetings	10,000	-	10,000	10,200
Sub-total management	605,028	540,597	689,112	689,705
5 Evaluation	458,191	366,735	611,717	603,344
Total AF-TERG and its secretariat	1,063,219	907,332	1,300,829	1,293,049
All amounts in US\$	FY21 Approved	FY21 Estimate	FY22 Approved	
TRUSTEE				
1 CER Monetization	180,000	170,000	180,000	
2 Financial and Program Management	227,000	320,000	320,000	
3 Investment Management	216,000	245,000	245,000	
4 Accounting and Reporting	40,000	60,000	60,000	
5 Legal Services	45,000	55,000	56,000	
Total trustee	708,000	850,000	861,000	
GRAND TOTAL ALL COMPONENTS	7,438,715	5,894,862	8,840,404	

ANNEX V

CLIMATE FUNDS COLLABORATION ROADMAP 2019–2020–2021

(reproduced from annex I to document AFB/B.36/6)

Topic	Activity	Timeframe ¹	Status
Indicators	1. Launch a climate funds collaboration platform on results, indicators and methodologies for measuring impact.	Kick-off call by early April 2020	Ongoing: Consultations on 2021 workplan is currently ongoing with other climate funds.
Programming, Scaling-up and Blended Finance	2. Identify options on joint programming, appropriate schemes to boost them and common areas to leverage the cooperative advantages responding to country demand, including to explore opportunities for scaling up, including sequencing finance and in particular using innovative financial instruments to scale up successful projects of other climate funds.	Upon approval of new programming strategies in, Secretariats to convene a discussion in 2021	On hold: Discussions started with CIFs to identify synergies between their new programming areas (currently fundraising for) and the GCF's strategic plan (recently adopted). Scaling-up approach (steps and dynamic) finalized between AF/GCF. AF to share first list of potential projects.
	3. Organize a technical exchange between Funds following adoption of ongoing strategic plan and programming documents to refine areas to leverage the strengths across the landscape, including to enhance due diligence.	Upon approval of new programming strategies in, Secretariats to convene a discussion in 2021	On hold: Discussions started with CIFs to identify synergies between their new programming areas (currently fundraising for) and the GCF's strategic plan (recently adopted).
	4. Engage with accredited entities for enhancing the adoption of blended finance.	GCF to share discussion note by concept note by May 30, 2020	On hold: Due to the Covid-19 pandemic this work has not started, but the GCF has been discussing internally options to proceed in 2021.
	Knowledge Management & Capacity Building	5. Analyze opportunities for knowledge management initiatives and sharing of lessons learned, including exchanges of best practices about operational processes, and how to implement them.	GCF and CIFs to share study by end of February 2020 and conversation on further collaboration to take place in May 2020
6. Operationalize support for the implementation of the Action Plan of the Community of Practice of Direct Access Entities.		AF and GCF to develop joint plan by April 30, 2020	Ongoing: Currently supporting the development of a GCF Readiness Proposal for 2 years of implementation of the Action Plan.
Communications & Outreach	7. Jointly crafting an advocacy and communication plan towards COP 26 including side events and a communique on Covid-19 support to countries	28 February 2021	New activity agreed at the 4 th annual dialogue, November 2020.

¹ Timeframe of this roadmap is subject to required adjustments considering the ongoing global COVID-19 pandemic.

ANNEX VI

REPORT OF THE DIALOGUE WITH CIVIL SOCIETY, 7 APRIL 2021, ONLINE

1. The Chair of the Adaptation Fund Board (the Board), Mr. Mattias Broman (Sweden, Annex I Parties), invited the Board to enter into a dialogue with civil society organizations.
2. Mr. Yves Renard, Panos Caribbean, presented recent developments in the Adaptation Fund NGO Network (the Network) and spoke of its governance and sustainability. The Network was a global coalition of over 200 civil society organizations with the mission of supporting those most vulnerable to the effects of climate change and ensuring that they benefited from the Fund. He said that the Fund and its Board had adopted a number of good practices that contributed to engagement with civil society. The functions of the Network included: drafting recommendations, providing feedback on concept notes, making independent assessments of projects, sharing the lessons learnt, engaging with decision makers, helping civil society understand the Fund and the projects it implemented, and contributing to the civil society dialogue.
3. Enhancing civil society engagement would ensure that the Network remained a permanent, legitimate and transparent mechanism through which civil society could have a voice to strengthen climate finance. That required designing a solid and financially stable governance structure that promoted communication and capacity-building activities for the active engagement of civil society. The key principles for achieving that were flexibility, efficiency and inclusiveness in the promotion of such active participation. The Network had to be seen as representative and legitimate, and to realise that it needed to remain decentralized, working through regional hubs, remaining transparent and accountable to its constituency while retaining its independence.
4. To achieve that the Network was focusing on: clarifying its objectives and membership, confirming its mandate, looking at its legal personality, and balancing efficiency and inclusion when engaging with other climate NGO networks, its partners and the regional hubs. The Network would keep the Board informed of the progress being made and would welcome feedback to ensure that the Network would add value to the Fund.
5. Ms. Kavya Arora, Development Alternatives, provided the perspectives of civil society on the ongoing discussions at the Board and made recommendations on the engagement with civil society and the country cap. She said that at the present meeting the observers had been unable to make use of the interpretation or share their views on the agenda topics. She also observed that there had been an increase in the number of closed sessions and that it would be important to set the dates and times well in advance of the meetings. The documents needed to be made available at least 14 days before the meetings and that it was difficult to access country specific information on the website of the Fund as that information was fragmented and found in a number of locations. She asked that project information be summarized on a separate webpage to help civil society, and other stakeholders in developing countries, understand the projects.

6. The submission of comments by local civil society had been a challenge as the content of the submissions was often not in the local languages. To overcome that she suggested that a summary be prepared in those local languages. Short project summaries could be required of the project proponents who should also be required sign an attestation that the information being provided was an authentic summary of the project.
7. The aim was active observers from civil society at the Board meetings. The Fund should draw lessons from other climate funds and the AF-TERG should evaluate how well the Fund engaged with civil society organizations (CSOs). While the Board could assess the participation of private sector observers as well that should not affect the role of CSOs whose participation in Board meetings should be covered by the administrative budget.
8. She also made a recommendation with respect to lifting the country cap and shared some specific examples from India and Mexico. Some national implementing entities (NIEs) had specific interests or where not actively implementing projects which meant that it would be useful to have more than one NIE. The proposed thresholds for accessing additional funding beyond the current cap were too restrictive and she gave three examples to illustrate her point, and also made several specific recommendations.
9. In the discussion that followed the lack of comments on the projects was noted and it was asked whether the Network had discussed the green recovery from the COVID-19 pandemic. Clarification was also sought on the use of local languages and whether the Fund would be responsible for providing information in those languages. It was also asked how civil society participated in the Network, if there were similar networks for other climate funds and if a single climate change network would be preferable.
10. Mr. Renard said that although civil society was considering the equality issues related to the pandemic there had been little discussion of the issue in the Network. With respect to comments by civil society, in his region there had only been one project, and there had been no need to comment on how good it was. He said that civil society included all non-market stakeholders and that the use of the term NGO was a legacy of the past which might need to be changed in name of the Network. The criteria for participation in the Network, which was a work in progress, was to be found on the Network's website.
11. Ms. Julia Grimm, Germanwatch, said that the Network had tried to mobilize comments on the proposals as it knew how valuable they could be. The request for comments also made local CSOs aware of the projects. One issue was that the proposals were very long. The comments should not come from international CSOs but local CSOs and language was often a barrier for that, although the Network communicated with the local CSOs in the official language of the country. There had been ongoing discussion in the Network of the need for greater openness which might include changing its name. It had worked with other CSO networks and while that was expected to continue in the future, other Funds had different criteria for civil society participation and there was merit in the NGO Network maintaining its current independence.

12. Ms. Arora said, with respect to the pandemic, that many projects in India had experienced delays due to a lack of access to transportation and markets and that consideration should be given to extending those projects. She also said that once the projects had been submitted a two-page summary should be prepared in the dominant language of the country for distribution to civil society and other stakeholders.
13. The Manager of the secretariat said that a web-stream option had been used for the smoother transition from an open session to a closed session in response to the feedback from observers in the meeting but had not been realised that it would not allow access to interpretation. To correct that each of the members of civil society would receive an individual invitation to participate in the meeting.
14. The Chair thanked civil society for their presentations and their participation.