



ADAPTATION FUND

AFB/B.37/7
11 October 2021

Adaptation Fund Board
Thirty-seventh meeting
Bonn, Germany (Virtually held), 19-21 October 2021

Agenda item 12 a)

**UPDATE ON STRATEGIC DISCUSSION ON OBJECTIVES
AND FURTHER STEPS OF THE FUND: POTENTIAL
LINKAGES BETWEEN THE FUND AND THE GREEN CLIMATE
FUND**

Background

1. This document provides an update on the discussions on the topic of the potential linkages between the Adaptation Fund (the Fund) and the Green Climate Fund (GCF).¹ These discussions have been taking place at two levels: through dialogue between the Chair and Vice Chair of the Adaptation Fund Board with the Co-chairs of the GCF Board, both exclusively and in the context of the annual dialogue among the various climate funds, and through ongoing discussions between the secretariats of the Fund and the GCF.

2. At the thirty-sixth meeting of the Board, the secretariat presented updates on its ongoing discussions with the GCF. Having considered the ongoing efforts on enhancing complementarity between the Adaptation Fund and the Green Climate Fund and document AFB/B.36/6 and its annex, the Adaptation Fund Board (the Board) decided to:

(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)

3. As of the date of this document, the GCF Board has not yet considered matters as referred to in subparagraphs (b) and (c) of Decision B.35.b./19. Therefore, this document reports on the progress made in the activities described in subparagraph (c) of Decision B.36/40 and general update on collaboration between the Fund and the GCF.

¹ For further details, see Annex 2 to this document

Annual Dialogue on climate finance delivery channels

4. As reported by the GCF secretariat in document GCF/B.25/Inf.07 and pursuant to the goal of enhancing complementarity and coherence with other climate funds, the GCF, together the Global Environment Facility (GEF) jointly published a synthesis report² which summarizes the findings of an analysis of synergies and complementarities between funding streams from different multilateral climate finance mechanisms in order to promote programming synergies across funds.

5. As agreed among the Funds at the fourth annual dialogue of climate finance delivery channels held virtually on 23 November 2020 with the participation of all funds including the Adaptation Fund, GCF, GEF and CIFs, all four funds have published a [joint forward-looking communique](#) highlighting a common message of support to developing countries facing mounting challenges induced by the pandemic. Through the joint statement published on 26 July 2021 and signed by heads of all climate funds, the funds agreed to promote complementarity and synergies that will help maximize the impact of their respective programmes in support of developing country recovery efforts with a set of priority actions including (i) identifying options for scaling-up and Blending Finance, (ii) strengthening partnership on Results, Indicators, Monitoring and Evaluation, (iii) explore opportunities for knowledge sharing, (iv) continue to ensure the active engagement of diverse stakeholders, (v) highlighting programming of several key flagship initiatives by each fund.

6. In anticipation of the upcoming COP26, the fifth Annual Climate Funds Dialogue will be held virtually on 25 October 2021 with the participation of all climate funds including AF, GCF, GEF and CIFs.

Pilot of Scaling-Up Approach between the Fund and the GCF

7. As reported at the thirty-sixth meeting of the Board, AF and GCF secretariats continued the discussion on the proposed structured common approach to further operationalize the potential for scaling up and replications in their portfolio of projects and programmes. The proposed approach sets out a structured modality for collaboration between the Fund and the GCF on project and programme scale-up, in the context of a broader set of efforts to ensure complementarity and coherence between the two funds.

8. As of today, both secretariats have started implementation of the structured approach with (i) the identification of an initial list of potential projects eligible for scaling up with GCF resources, (ii) an initial outreach and confirmation of interest by the countries designated authorities (DA) and implementing entities (IEs) and (iii) a further review of projects by the regional teams in the GCF secretariat. Once the GCF secretariat will receive a consolidated feedback from the NDAs, it will inform the AF secretariat, in order to coordinate on the next steps of the scaling-up approach.

² Joint synthesis report on “Synergies between climate finance mechanisms”, available at: <https://www.greenclimate.fund/sites/default/files/document/synergies-climate-finance.pdf>

9. In addition, the two secretariats have regularly met through a coordination mechanism to discuss potential projects eligible for scaling up, initial technical review of projects and other preparatory work including reaching out to DAs and IEs.

Jointly supporting the community of practice for direct access entities (CPDAE)

10. The secretariat and GCF Secretariat have continued to jointly support the Community of Practice for Direct Access Entities (CPDAE) which is an autonomous community made up of accredited National Implementing Entities (NIEs) of the Fund and accredited Direct Access Entities (DAEs) of the GCF.

11. The Fund continues to provide temporary personnel support to the CPDAE Chair and Committee and maintaining a webpage on the Fund website to host CPDAE content. The secretariats held multiple ad hoc meetings throughout the year together with the CPDAE Committee to discuss funding the CPDAE action plan. With support from the secretariats, the CPDAE committee submitted a funding proposal which is currently under review by the GCF to implement part of the CPDAE Action Plan. Other activities of the action plan continue to be implemented with financial support from the Fund.

Discussion on the complementarity between the AF and GCF on matters related to accreditation

12. In line with the operational linkages between the Fund and the GCF, the accreditation teams of the two secretariats have continued to engage and explore opportunities for complementarities regarding the fast-tracking of applicant entities already accredited or re-accredited with the funds. Secretariat's accreditation team will continue to exchange with the GCF accreditation team in order to better understand the approach and scope of the current reaccreditation process of the GCF which is outlined in document GCF/B.24/17³ and document GCF/B.28/12⁴. In subsequent engagements, both teams are intent on further discussing the strategic way forward to conclude the policies gap assessment and compatibility of the Funds.

³ Annex XXVI: Re-accreditation process for accredited entities, Document GCF/B.24/17, available at: <https://www.greenclimate.fund/sites/default/files/decision/b24/decision-b24-13-b24-a26.pdf>

⁴ Updated GCF accreditation framework, available at <https://www.greenclimate.fund/sites/default/files/document/gcf-b28-12.pdf>. Re-accreditation-related information is contained in paragraphs 67-78.

Recommendation

13. Having considered the ongoing efforts to enhance complementarity between the Adaptation Fund and the Green Climate Fund as outlined in document AFB/B.36/6 and its annex, the Adaptation Fund Board may want to decide to:

- (a) Take note of the report included in document AFB/B.37/7 which provides an update on the recent cooperation between the Adaptation Fund and the Green Climate Fund;
- (b) 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 Annex I; and
- (c) 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 six activities of the 2019 roadmap (Annex I); and
- (d) 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-eight meeting; and
 - (ii) An update on the matter as referred to in subparagraph (b) above once it has been considered by the GCF Board.

Annex I - Climate Funds Collaboration Roadmap 2019-2020-2021

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.
	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	Ongoing: The CIFs and GCF are outlining a climate finance synergies partnership aiming to provide a forum for continuous and systematic learning and knowledge management between climate funds, countries, and other relevant stakeholders. GCF/CIF to share concept note with AF/GEF in 2021
Knowledge Management & Capacity Building	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.
	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.
Communications & Outreach			