



## ADAPTATION FUND

AFB/B.37/13  
26 January 2022

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

### REPORT OF THE THIRTY-SEVENTH MEETING OF THE ADAPTATION FUND BOARD

#### Introduction

1. The thirty-seventh meeting of the Adaptation Fund Board (the Board) was held online in Bonn, Germany, from 19 to 21 October 2020, in conjunction with the twenty-eighth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC). Due to the ongoing coronavirus disease (COVID-19) pandemic, the meeting took place in a virtual format.
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 as annex I. A list of accredited observers present at the meeting can be found in document AFB/B.37/Inf.3.

#### Agenda item 1: Opening of the meeting

4. The meeting was opened at 2.00 p.m. (Central European Time, UTC+1) on 19 October 2021 by the Chair, Mr. Mattias Broman (Sweden, Annex I Parties), who welcomed the participants and thanked the secretariat for its help in organizing the session. It was an important year for the Fund, with the 2021 United Nations Climate Change Conference fast approaching. The Chair said the Fund deserved praise for continuing to fulfil its role so well during the ongoing pandemic, and he looked forward to the Fund continuing to play its part through action, innovation and learning.

#### Agenda item 2: Organizational matters

a) *Adoption of the agenda*

5. The Board adopted the provisional agenda set out in document AFB/B.37/1/Rev.1 as the agenda for the thirty-seventh meeting (see annex II).

6. During the adoption of the agenda, the Chair recalled that at its thirty-sixth meeting the Board had noted a recommendation by the PPRC to approve two projects but had decided to only consider them once the proponent had obtained “accredited” status (decisions B.36/3 and B.36/4). The Board had reaccredited the proponent intersessionally (decision B.36-37/14) and was therefore being asked to approve the projects at the present session to avoid further delays. The Board agreed to consider the approval of the two projects under agenda item 16, “Other matters”.

*b) Organization of work*

7. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.37/2) and adopted the organization of work proposed by the Chair.

8. The Chair welcomed Mr. Matthias Bachmann (Switzerland, Annex I Parties) as a new alternate member of the Board to replace Ms. Antonia Elena Flück (Switzerland, Annex I Parties). The Chair informed Mr. Bachmann that he would need to sign the written Oath of Service, as mandated by the Fund’s rules of procedure.

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

Ms. Patience Dampsey (Ghana, Africa);  
 Ms. Fatou Ndeye Gaye (The Gambia, Africa);  
 Mr. Ibila Djibril (Benin, Africa);  
 Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe);  
 Mr. Idy Niang (Senegal, Least Developed Countries);  
 Mr. Tshering Tashi (Bhutan, Least Developed Countries).

**Agenda item 3: Report on the activities of the Chair**

10. The Chair reported on the activities he had undertaken on the Board’s behalf during the intersessional period with the support of the Adaptation Fund Board Secretariat (the secretariat; AFB/B.37/Inf.5). He had, inter alia, provided guidance to the secretariat on resource mobilization initiatives, fiduciary issues related to the United Nations Development Programme, a joint statement by the climate funds on a climate-resilient recovery from the coronavirus disease pandemic, the survey on enhancing engagement with civil society and the preparations for the Adaptation Fund’s attendance at the 2021 United Nations Climate Change Conference in Glasgow, the United Kingdom. He had also provided the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) with input on the mid-term review of the Fund’s Medium-term Strategy, had signed a number of project and programme agreements, cash transfer requests, project formulation grants and other grants agreements and had generally promoted the Fund’s work through outreach activities.

11. In response to a query about the informal consultations on the fourth review of the Fund by the Subsidiary Body on Implementation of the United Nations Framework Convention on Climate Change, the manager of the secretariat explained that the fourth review was one of regular reviews that had been foreseen when the Adaptation Fund had been launched. Those reviews had taken place every three or four years. According to the intended schedule, the Parties would have considered and issued the terms of reference of the fourth review already but as the most recent

consultations had taken place virtually, Parties had not been in a position to conclude on any formal recommendations on the matter.

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

#### **Agenda item 4: Report on activities of the secretariat**

13. The manager of the secretariat reported on the secretariat's activities for the six-month period since the thirty-sixth meeting of the Board (AFB/B.37/3). The period had been busy, as evidenced by the higher number of events organized and participated in by secretariat, partly owing to the overall increase in the number of virtual events.

14. In addition to following up on the Board decisions made in April and intersessionally, secretariat staff had pursued recurring areas of work such as project proposals, accreditation and reaccreditation applications, readiness activities, knowledge management, communications and outreach, gender and resource mobilization, as well as cooperating with the AF-TERG and other climate funds. Highlights included the annual readiness seminar for national implementing entities, which had been held virtually for the first time and as a result had been opened to executing entities, and a virtual country exchange organized with the national implementing entity in India under the theme of food security.

15. The secretariat had reviewed two cycles of project proposals, one intersessional and the other ending at the current meeting. The latter cycle showed a clear impact of the Board's April 2021 decision to raise the country cap to US\$20 million. The pandemic was also clearly still having an impact on active projects, with eight no-cost project completion extension requests submitted and reviewed under the adaptive measures put in place by the Board in 2020.

16. In the area of gender, the secretariat had begun implementing the updated gender policy and action plan and had commissioned a study to enhance understanding of how intersectional approaches related to gender mainstreaming in adaptation, as well as how the concept of intersectionality had been applied to sectors relevant to adaptation. The study would soon be published.

17. For the overall strategic direction of Fund, the secretariat had supported the work of the AF-TERG on the mid-term review of the Medium-term Strategy 2018–2022. The report had been presented to the EFC the previous week. As the strategy implementation plan outlined the elements of a new strategy to be developed over the next year and the mid-term review report set out recommendations for the development process, the secretariat, after consulting with the Chair and Vice-Chair, had prepared a document on a proposed process for developing the next strategy, for the Board's consideration at the current meeting.

18. In preparation for the 2021 United Nations Climate Change Conference, the secretariat had supported the preparation of the Board's report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), which had been approved intersessionally. As per usual practice, the secretariat was now preparing an addendum to that report to cover the Board's activities during the period from 1 July 2021 until the current meeting, which would be posted immediately following the meeting for a period of one week for review by the Board members. In

addition to supporting the negotiations at the conference, the secretariat would organize side events, participate as resource persons in negotiations related to the Adaptation Fund and participate in conference events; an Adaptation Fund contributor dialogue was planned, and for the first time the Fund would have a pavilion serving as a meeting point and exhibit space.

19. In terms of the secretariat's working arrangements, plans to reopen the office had been stalled by the resurgence of the pandemic, and although technically 25 per cent of the staff could work at the office on any given day, most were in fact working from home. The manager acknowledged the individual challenges face by staff and commended them for their hard work and sustained productivity, noting that in the face of difficult circumstances and a persistently high workload the secretariat had been required to balance timeliness and quality, sometimes resulting in the late posting of documents. He also thanked the Board members for their flexibility, support and cooperation during the intersessional period despite the ongoing pandemic, the Chair and Vice-Chair for their continued support and the Trustee and AF-TERG for their good cooperation.

20. Subsequently, in response to questions, the manager of the secretariat confirmed that the secretariat would share information on future virtual events to enable Board members to attend. He also said that while virtual readiness events were fairly effective and could be expected to continue, learning and South-South cooperation were important features of the readiness programme that benefitted from the informal exchanges facilitated by in-person meetings. Another representative of the secretariat concurred, saying that while some virtual events had good impact in the field, certain types of readiness events required face-to-face interaction to generate impact.

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

#### **Agenda item 5: Report of the Accreditation Panel**

22. The Vice-Chair of the Accreditation Panel, Ms. Eleonora Cogo (Italy, Western European and Others Group) presented the report on the Panel's thirty-sixth meeting (AFB/B.37/10). During the intersessional period the Fund had approved fast-track accreditation of one national implementing entity (NIE) and one regional implementing entity and fast-track reaccreditation of four NIEs. As at the date of the report, the Fund had had 56 accredited implementing entities, with 8 regional implementing entities, 14 multilateral implementing entities and 34 NIEs, including 10 from least developed countries and 7 from small islands developing States. She also provided a 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.

23. In response to a query about dormant applications, the Vice-Chair of the Panel explained that the process for addressing them was to send a letter to the applicants every six months to follow up on submissions. The representative of the secretariat added that in addition to the formal process for dormant applications there was also an informal process. That involved making periodic telephone calls to the applicants, and the designated national authorities, which had often resulted in the application process being resumed.

24. Responding to other questions, the Vice-Chair of the Panel said that while there had been informal enquiries about accreditation of a second NIE, no applications had yet been received, and that the fast-track accreditation was available to entities already accredited by the Green Climate Fund (GCF). The representative of the secretariat confirmed that formal submissions for

accreditation of a second NIE were expected in the near future. With respect to fast-track accreditation, she added that despite a formal understanding on the matter between the Fund and GCF, there was no formal link in the reaccreditation process.

25. The Board continued its discussion in a closed session.

26. The Adaptation Fund Board took note of the report of the thirty-sixth meeting of the Accreditation Panel.

**Agenda item 6: Agenda Item 6: Report of twenty-eighth meeting of the Project and Programme Review Committee**

27. Ms. Susana Castro-Acuña Baixauli (Spain, Western Europe and Others), Chair of the PPRC, presented the report of the PPRC (AFB/PPRC.28/41). The PPRC had considered 23 concrete project/programme proposals, consisting of seven fully developed single country proposals, eight single country project concepts, one fully developed regional proposal, three regional project concepts and four regional pre-concepts. The PPRC had also considered two enhanced direct access proposals, four innovation large grants, two innovation small grants and one learning grant submitted for the Board's consideration. A summary of the PPRC funding recommendations is presented in annex III to the present report. Additionally, the PPRC had decided to take up the issue of the full cost of adaptation under the agenda item on "Other matters"; the discussion on the matter was reflected in the report.

28. The Board took note of the presentation by the Chair of the PPRC and approved the decisions below on the matters considered by the PPRC at its twenty-eight meeting.

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

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

(a) To request the secretariat to analyse the issues related to the use of unidentified sub-projects and present the findings to the PPRC at its twenty-ninth meeting;

(b) To further request the secretariat to clarify regional implementation and execution costs, including where implementing entities provide part or all of the execution services, and present the findings to the PPRC at its twenty-ninth meeting;

(c) To limit, for all projects where the implementing entity provides a portion of the execution services, the execution costs of the implementing entity proportionally to the cost of the part of the project or programme executed by the implementing entity;

(d) To raise the maximum amount of individual project formulation grants available to national implementing entities to US\$ 50,000;

(e) To discontinue project formulation assistance grants for future review cycles.

**(Decision B.37/1)**

(b) *Review of single-country project and programme proposals*

1. **Fully developed proposals**

*Proposals from national implementing entities: regular proposals*

Bhutan: Adaptation to Climate-induced Water Stresses through Integrated Landscape Management in Bhutan (Fully developed project; Bhutan Trust Fund for Environmental Conservation (BT FEC); AF00000229; US\$ 9,998,955)

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

(a) To not approve the fully developed project proposal, as supplemented by the clarifications provided by the Bhutan Trust Fund for Environmental Conservation (BT FEC) in response to the request made by the technical review;

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

(i) The proposal should better inform the type and scale of envisaged adaptation measures;

(ii) The proponent should strengthen and justify the cost-effectiveness of the proposed measures, including quantitative data;

(iii) The proposal should clarify how lessons learned and best practices from other projects in sustainable land management have been taken into account for the project's development;

(iv) The proposal should ensure compliance with the Fund's Environmental and Social Policy;

(c) To request BT FEC to transmit the observations under subparagraph (b) to the Government of Bhutan.

**(Decision B.37/2)**

United Republic of Tanzania (1): Karatu Climate Resilience and Adaptation Project for Hadzabe and Datoga Communities – KARAHADA (Fully developed project; National Environment Management Council (NEMC); AF00000255; US\$ 2,500,000)

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

(a) To not approve the fully developed project proposal, as supplemented by the clarifications provided by the National Environment Management Council (NEMC) in response to the request made by the technical review;

(b) To suggest that NEMC 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 fully identify the project activities and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;
- (ii) The proposal should include gender-disaggregated data and project indicators;
- (iii) The proposal should include quantified details regarding the sustainability of the project components;

(c) To request NEMC to transmit the observations under subparagraph (b) to the Government of the United Republic of Tanzania.

**(Decision B.37/3)**

United Republic of Tanzania (2): Restoration of Lake Babati for Enhanced Climate Change Adaptation in Babati District (Fully developed project; National Environment Management Council (NEMC); AF00000256; US\$ 4,000,000)

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

(a) To not approve the fully developed project proposal, as supplemented by the clarifications provided by the National Environment Management Council (NEMC) in response to the request made by the technical review;

(b) To suggest that NEMC 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 clearly identify the climate impacts on targeted communities and clarify how the proposed scale of the project can deliver meaningful outcomes to beneficiaries and help build their adaptive capacity;
- (ii) The proposal should provide all impact assessments that the project activities require, as well as a project-specific summary overview of how the risks identified are managed in line with the Fund's Environmental and Social Policy and Gender Policy. In doing so, it should clarify what approach the project will use for the inclusion of gender during the project's design and execution and in the delivery of all project components;
- (iii) The proponents should demonstrate how consultations have been conducted in gender-sensitive ways and how those consultations have concretely shaped the selected project activities;

(c) To request NEMC to transmit the observations under subparagraph (b) to the Government of the United Republic of Tanzania.

**(Decision B.37/4)**

Uganda (1): Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change in Katonga Catchment, Uganda (Fully developed project; Ministry of Water and Environment (MoWE); AF00000236; US\$ 2,249,000).

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

(a) To not approve the fully developed project proposal as supplemented by the clarifications provided by the Ministry of Water and Environment (MoWE) in response to the request made by the technical review;

(b) To suggest that MoWE 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 fully identify the project activities and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;

(ii) The proposal should address issues related to the budget and the project execution costs;

(c) To request MoWE to transmit the observations under subparagraph (b) to the Government of Uganda.

**(Decision B.37/5)**

*Proposals from multilateral implementing entities: regular proposals*

Côte d'Ivoire: Increasing Rural Communities' Adaptive Capacity and Resilience to Climate Change in Bandama Basin in Côte d'Ivoire (Fully developed project; International Fund for Agricultural Development (IFAD); AF00000222; US\$ 6,000,000)

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

(a) To note the recommendation that the Adaptation Fund Board:

(i) Approve the fully developed project proposal as supplemented by the clarifications provided by the International Fund for Agricultural Development (IFAD) in response to the request made by the technical review;

(ii) Approve the funding of US\$ 6,000,000 for the implementation of the project, as requested by IFAD;

(iii) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project. The agreement should include a commitment from IFAD that, prior to the second disbursement, IFAD will submit a report on how they have addressed the comments of civil society organization(s) (CSOs) during project implementation, with particular emphasis on how CSO engagement in project implementation was improved;

(b) To place the project on the waitlist pursuant to decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

**(Decision B.37/6)**

Haiti: Implementing Measures for Climate Change Adaptation and Disaster Risk Reduction Mitigation of School Facilities in Haiti (Fully developed project; United Nations Educational, Scientific and Cultural Organization (UNESCO); AF00000235; US\$ 9,916,344)

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

(a) To note the recommendation that the Adaptation Fund Board:

(i) Approve the fully developed project proposal as supplemented by the clarifications provided by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in response to the request made by the technical review;

(ii) Approve the funding of US\$ 9,916,344 for the implementation of the project, as requested by UNESCO;

(iii) Request the secretariat to draft an agreement with UNESCO as the multilateral implementing entity for the project;

(b) To place the project on the waitlist pursuant to decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

**(Decision B.37/7)**

Malaysia: Nature-based Climate Adaptation Programme for the Urban Areas of Penang Island (Fully developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000232; US\$ 10,000,000)

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

(a) To note the recommendation that the Adaptation Fund Board:

(i) Approve the fully developed project proposal as supplemented by the clarifications provided by the United Nations Human Settlements Programme (UN-Habitat) in response to the request made by the technical review;

- (ii) Approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by UN-Habitat;
  - (iii) Request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project;
- (b) To place the project on the waitlist pursuant to decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

**(Decision B.37/8)**

## 2. Concepts

*Proposals from national implementing entities: regular proposals*

Costa Rica: Increasing the Resilience of Vulnerable Populations in Costa Rica by Scaling Up Adapta2+ (Concept note; Fundecooperación para el Desarrollo Sostenible (Fundecooperación); AF00000257; US\$ 10,000,000)

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

- (a) To not endorse the concept note as supplemented by the clarifications provided by the Fundecooperación para el Desarrollo Sostenible (Fundecooperación) in response to the request made by the technical review;
- (b) To suggest that Fundecooperación 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 justify the full cost of adaptation reasoning, explaining how funding the proposed activities will lead to the expected adaptation objectives;
  - (ii) The proposal should provide an overview of environmental and social risks ensuring compliance with the Fund's Environmental and Social Policy;
  - (iii) The proponent should clarify how compliance with relevant national technical standards related to the specific sector of intervention will be achieved;
  - (iv) The proposal should explain how it will avoid duplication with climate change adaptation projects, under implementation and to be implemented, in the country;
- (c) To not approve the project formulation grant of US\$ 30,000;
- (d) To not approve the project formulation assistance grant of US\$ 20,000;

- (e) To request Fundecooperación to transmit the observations under subparagraph (b) to the Government of Costa Rica.

**(Decision B.37/9)**

Honduras: Let's Save the Merendon (Concept note; Comisión de Acción Social Menonita (CASM); AF00000258; US\$ 4,000,000)

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

- (a) To not endorse the concept note as supplemented by the clarifications provided by the Comisión de Acción Social Menonita (CASM) in response to the request made by the technical review;
- (b) To suggest that CASM 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 describe how the proposed activities are suited to the current and anticipated type and scale of impacts from specified climate hazards to demonstrate the adequateness of the project interventions;
  - (ii) The proposal should provide a higher level of granularity to the description of the proposed components to highlight the concreteness of the proposed activities and their expected visible and tangible impact on the ground;
  - (iii) The proposal should identify all relevant potentially overlapping on-going or soon-to-be-implemented projects and programmes and state lack of overlap and/or complementarity in a logical manner;
  - (iv) The proposal should elaborate on the arrangements through which sustainability of the proposed components will be ensured, covering all areas of sustainability including but not limited to economic, social, environmental, institutional, and financial;
  - (v) The proposal should identify potential Environmental and Social Policy-related impacts and risks, determine whether or not the project requires further environmental and social assessment, mitigation, and management and update the associated checklist accordingly;
- (c) To not approve the project formulation grant of US\$ 30,000;
- (d) To not approve the project formulation assistance grant of US\$ 20,000;
- (e) To request CASM to transmit the observations under subparagraph (b) to the Government of Honduras.

**(Decision B.37/10)**

United Republic of Tanzania (3): Climate Change Adaptation in Saltwater Stressed and Freshwater Deficient Communities in Zanzibar (Concept note; National Environment Management Council (NEMC); AF00000259; US\$ 3,500,000)

39. 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 clarifications provided by the National Environment Management Council (NEMC) in response to the request made by the technical review;
- (b) To request the secretariat to notify NEMC 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 consider opportunities for the involvement of universities and research institutions;
  - (ii) The fully developed project proposal should further expand on how it will address the potential conflict in resources use between the agriculture and tourism sectors;
  - (iii) The fully developed project proposal should provide more details on how it would enhance complementarity and synergies with other projects and programmes, including by the projects funded by the Adaptation Fund;
- (c) To approve the project formulation grant of US\$ 30,000;
- (d) To encourage the Government of the United Republic of Tanzania to submit, through NEMC, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/11)**

Uganda (2): Enhancing Community Adaptation to Climate Change through Climate Resilient Flood Early Warning, Catchment Management and Wash Technologies in Mpologoma Catchment, Uganda (Concept note; Ministry of Water and Environment (MoWE); AF00000260; US\$9,504,600)

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

- (a) To not endorse the concept note as supplemented by the clarifications provided by the Ministry of Water and Environment (MoWE) in response to the request made by the technical review;
- (b) To suggest that MoWE 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 increase the robustness of the described climate scenarios, and their relevance to the project target areas. It should also provide insight on causal linkages between the project outputs and outcomes;
  - (ii) The proposal should improve the cost effectiveness analysis to include expected tangible impact and long-term sustainability of activities;
  - (iii) The proposal should provide clearer information on how the knowledge management component is tailored to policymakers and relevant organizations;
  - (iv) The proposal should clarify the existing funding that ministries (and other entities, if relevant) provide and clarify its adequacy for long-term planning and coordination;
  - (v) The proposal should elaborate on the complementarity and coherence with other donor-funded projects and programmes;
- (c) To not approve the project formulation grant of US\$ 45,000;
  - (d) To request MoWE to transmit the observations under subparagraph (b) to the Government of Uganda.

**(Decision B.37/12)**

*Proposals from regional implementing entities: regular proposals*

Trinidad and Tobago: Multisectoral Adaptation Measures to Climate Change in the South Oropouche Basin for River Flood Relief (Concept note; Development Bank of Latin America (CAF); AF00000261; US\$ 10,000,000)

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 clarifications provided by the Development Bank of Latin America (CAF) in response to the request made by the technical review;
- (b) To request the secretariat to notify CAF 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 demonstrate the overall sustainability of the selected adaptation measures;
  - (ii) The fully developed project proposal should further elaborate on the complementarity and coherence with other relevant initiatives in the country;

(c) To encourage the Government of Trinidad and Tobago to submit, through CAF, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.37/13)**

*Proposals from multilateral implementing entities: regular proposals*

Nicaragua: Climate Resilience and Livelihoods in the Nicaraguan Dry Corridor (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000262; US\$ 10,000,000)

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

(a) To not endorse the concept note as supplemented by the clarifications provided by the Food and Agriculture Organization of the United Nations (FAO) in response to the request made by the technical review;

(b) To suggest that FAO 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 reinforce its compliance with the Gender Policy of the Adaptation Fund;

(ii) The proponent should substantiate the full cost of adaptation reasoning in order to show how the adaptation outcomes will be achieved through the project components;

(iii) The proponent should provide an explanation of the project's social and economic benefits and its equitable distribution to vulnerable communities;

(iv) The proponent should explain how the project will avoid duplication with climate change adaptation projects under implementation in the country;

(c) To request FAO to transmit the observations under subparagraph (b) to the Government of Nicaragua.

**(Decision B.37/14)**

North Macedonia: Building Climate Resilience of the Agricultural System in Radovish Region through Improved Irrigation, Land and Water Management (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000263; US\$ 9,991,711)

43. 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 clarifications provided by the Food and Agriculture Organization of the United Nations (FAO) in response 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 further elaborate on issues of gender empowerment and benefits, for example, through presenting different scenarios;
  - (ii) The fully developed project proposal should further elaborate on the impact of climate change on the concrete investments' assets;
- (c) To request FAO to transmit the observations under subparagraph (b) to the Government of North Macedonia;
- (d) To encourage the Government of North Macedonia to submit, through FAO, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/15)**

Vanuatu: Enhancing Livelihood Resilience in Vanuatu through Forest and Landscape Restoration (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000264; US\$ 7,128,450)

44. 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 clarifications provided by the Food and Agriculture Organization of the United Nations (FAO) in response 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 demonstrate how the proposed investments in the country's early warning systems will address investment and capacity gaps identified;

- (ii) The fully developed project proposal should explore possible policies and governance arrangements which will ensure the nurseries' sustainability once the project ends;
- (c) To request FAO to transmit the observations under subparagraph (b) to the Government of Vanuatu;
- (d) To encourage the Government of Vanuatu to submit, through FAO, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/16)**

**3. Projects or programmes placed on the waitlist**

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

- (a) To note the recommendation of the Project and Programme Review Committee to approve the following projects or programmes:
  - (i) Haiti (AFB/PPRC.28/10);
  - (ii) Côte d'Ivoire (AFB/PPRC.28/9);
  - (iii) Malaysia (AFB/PPRC.28/11);
- (b) To add them to the waitlist pursuant to decision B.12/9 and according to the prioritization criteria established in decision B.17/19 and clarified in decision B.19/5 and decision B.35.a-35.b/46;
- (c) To consider the projects in the waitlist for approval, subject to the availability of funds, at a future Board meeting, or intersessionally, in the order or rank in which they are listed in subparagraph (a) above.

**(Decision B.37/17)**

(c) *Review of regional project and programme proposals*

**1. Fully developed proposals**

*Proposals from regional implementing entities*

Benin, Burkina Faso, Côte d'Ivoire, Gambia (Republic of The), Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo: Scaling-up Climate-Resilient Rice Production in West Africa (Fully developed project; Sahara and Sahel Observatory (OSS); AF00000190; US\$ 14,000,000)

46. 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 clarifications provided by the Sahara and Sahel Observatory (OSS) in response to the request made by the technical review;
- (b) To approve the funding of US\$ 14,000,000 for the implementation of the project, as requested by OSS;
- (c) To request the secretariat to draft an agreement with OSS as the regional implementing entity for the project.

**(Decision B.37/18)**

**2. Concepts**

*Proposals from multilateral implementing entities*

Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe: Enhancing Water and Food Security through Sustainable Groundwater Development in the SADC Region (Concept note; International Fund for Agricultural Development (IFAD); AF00000265; US\$ 13,932,000)

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

- (a) To not endorse the concept note as supplemented by the clarifications provided by the International Fund for Agricultural Development (IFAD) in response 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 outline the process and significance of the development of a "mutually agreed governance and cooperation framework" (objective 2), outlining key strategic steps towards the pursuit of an "agreed governance" of the resource beyond a solely technical focus;

- (ii) The proponent should provide a clear documentation of the consultations held and provide evidence that international river basin organizations and national entities have been sufficiently consulted and expressed interest;
  - (iii) The proposal should attend more comprehensively to managing the risk of the use of groundwater, addressing more specifically what it intends by “sustainable groundwater use”;
  - (iv) The proposal should build on ongoing and previous cooperation with the partners mentioned, considering their experience, expertise and lessons learned;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Governments of Botswana, Malawi, Mozambique, South Africa, Zambia and Zimbabwe.

**(Decision B.37/19)**

Cuba, Panama: Strengthening the Adaptive Capacity of Coastal Communities of Cuba and Panama to Climate Change through the Binational Exchange of Best Practices for Climate Management and Local Food Security (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000266; US\$ 14,000,000)

48. 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 clarifications provided by Food and Agriculture Organization of the United Nations (FAO) in response 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 quantitative estimates of the project’s environmental benefits;
  - (ii) The fully developed project proposal should further elaborate on the regional climate change rationale and provide stronger justification of the regional approach;
  - (iii) The fully developed project proposal should provide more details on the planned ecosystem-based adaptation interventions;
- (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 Cuba and Panama;

(e) To encourage the Governments of Cuba and Panama to submit, through FAO, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/20)**

India, Sri Lanka: Strengthening Resilience of Vulnerable Communities in Sri Lanka and India to Increased Impacts of Climate Change (Concept note; United Nations World Food Programme (WFP); AF00000225; US\$ 13,995,524)

49. 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 clarifications provided by the World Food Programme (WFP) in response to the request made by the technical review;

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

(i) The fully developed project proposal should ensure that all risks are fully identified for the activities that are fully identified and do not involve unidentified sub-projects, and that the risk identification considers all potential direct, indirect, transboundary and cumulative impacts that could result from the proposed project;

(ii) The fully developed project proposal should use more recent and relevant climate and vulnerability data, if available, as a basis for the interventions;

(iii) The fully developed project proposal should further expand on how the project will ensure synergies, complementarities and coherence with other projects in the region;

(c) To approve the project formulation grant of US\$ 80,000;

(d) To request WFP to transmit the observations under subparagraph (b) to the Governments of India and Sri Lanka;

(e) To encourage the Governments of India and Sri Lanka to submit, through WFP, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/21)**

### 3. Regional pre-concepts

#### *Proposals from regional implementing entities*

Benin, Togo: Towards a Climate Risks Shield in the Mono River Basin (Benin, Togo): Strengthening Adaptation and Resilience to Climate Change through Integrated Water Resources and Flood Management (Project: BOUCLIER-CLIMAT1/Mono) (Pre-concept note; Sahara and Sahel Observatory (OSS); AF00000267; US\$ 14,000,000)

50. 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 clarifications provided by the Sahara and Sahel Observatory (OSS) in response 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;
- (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 Benin and Togo;
- (e) To encourage the Governments of Benin and Togo to submit, through OSS, a concept note proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/22)**

#### *Proposals from multilateral implementing entities*

Cambodia, Lao People's Democratic Republic (PDR), Myanmar, Thailand, Viet Nam: Enhancing Climate Resilience of Mekong River Communities through Strengthening Climate Services (ECRMEKONG) (Pre-concept note; World Meteorological Organization (WMO); AF00000268; US\$ 13,662,862)

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

- (a) To not endorse the pre-concept note as supplemented by the clarifications provided by the World Meteorological Organization (WMO) in response to the request made by the technical review;
- (b) To suggest that WMO reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should demonstrate the concreteness of the proposed investments;

- (ii) The proposal should clarify how the investments proposed under each component feed into each other to help demonstrate cohesion among themselves;
  - (iii) The proponent should demonstrate the adequateness and relevance of the proposed investments;
  - (iv) The proposal should provide improved justification of the project's sustainability;
- (c) To not approve the project formulation grant of US\$ 19,980;
- (d) To request WMO to transmit the observations under subparagraph (b) to the Governments of Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam.

**(Decision B.37/23)**

Cambodia, Viet Nam: Increasing Climate Resilience in Food Systems through the Expansion of Smart (Peri-) Urban Agriculture (Pre-concept note; United Nations Industrial Development Organization (UNIDO); AF00000269; US\$ 14,000,000)

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

- (a) To not endorse the pre-concept note as supplemented by the clarifications provided by the United Nations Industrial Development Organization (UNIDO) in response to the request made by the technical review;
- (b) To suggest that UNIDO reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should demonstrate the adaptation needs of the malnourished urban poor and develop relevant activities addressing those;
  - (ii) The proposal should demonstrate the appropriateness and feasibility of the proposed activities and consider the risks of maladaptation;
- (c) To not approve the project formulation grant of US\$ 20,000;
- (d) To request UNIDO to transmit the observations under subparagraph (b) to the Governments of Cambodia and Viet Nam.

**(Decision B.37/24)**

Costa Rica and Panama: Enhancing the Climate Resilience of Coastal Communities in Limon, Costa Rica and Bocas del Toro, Panama through Nature-based Solutions for Local Livelihoods (Pre-concept note; United Nations Environment Programme (UNEP); AF00000251; US\$ 11,900,000)

53. 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 clarifications provided by the United Nations Environment Programme (UNEP) in response to the request made by the technical review;
- (b) To request the secretariat to notify UNEP 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 proposal should further justify the climate rationale of the regional approach;
  - (ii) The concept proposal should provide more details on the ecosystem-based adaptation approaches and options that will be implemented;
- (c) To approve the project formulation grant of US\$ 20,000;
- (d) To encourage the Governments of Costa Rica and Panama to submit, through UNEP, a concept note proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/25)**

*(d) Review of enhanced direct access project and programme proposals*

**1. Fully developed proposal**

Rwanda: Rwanda Sub-National Adaptation Fund EDA (Fully developed proposal; Ministry of Environment (MoE); AF00000270; US\$ 5,000,000)

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

- (a) To not approve the fully developed enhanced direct access proposal as supplemented by the clarifications provided by the Ministry of Environment (MoE) in response to the requests made by the technical review;
- (b) To suggest that MoE reformulate the proposal, taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully developed proposal should clarify whether the enhanced direct access (EDA) model will see transfer of finance directly to rural community members and rural

farmers or whether funds will flow up only to the civil society organizations (CSOs) and local governments who have been described as the executing entities;

(ii) The fully developed proposal should provide information on the expected beneficiaries of the EDA programme, with particular reference to the equitable distribution of benefits to vulnerable communities, households and individuals;

(iii) The fully developed proposal should broadly indicate the type of projects expected to be funded by the sub-project funding envelopes, including the expected adaptation outcomes from the EDA model;

(iv) A gender assessment that determines the different needs, capabilities, roles and knowledge resources of women and men, and how changing gender dynamics might drive lasting change within the targeted beneficiaries of the EDA mechanism, should be submitted;

(c) To request MoE to transmit the observations under subparagraph (b) to the Government of Rwanda.

**(Decision B.37/26)**

## **2. Concept proposal**

Belize: Building Community Resilience via Transformative Adaptation (Concept note; Protected Areas Conservation Trust (PACT); AF00000271; US\$ 5,000,000)

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

(a) To endorse the enhanced direct access project concept as supplemented by the clarifications provided by the Protected Areas Conservation Trust (PACT) in response to the requests made by the technical review;

(b) To request the secretariat to notify PACT 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 proposal should include a diagram that presents the structure of the proposed enhanced direct access model and the decision-making processes, including how funds will flow from the national implementing entity to second-tier and onward to third-tier groups;

(ii) The fully developed proposal should include a gender assessment that describes how the project will address the different needs, capabilities, roles and knowledge resources of women and men;

(iii) The fully developed proposal should provide a cost-effectiveness analysis, including quantitative estimates of the cost differentiation between the chosen activities and those of alternatives that were considered;

- (iv) At the fully developed proposal stage, a description of the outcomes gender-responsive consultative process should be included, along with consultation reports, in compliance with the Fund's Environmental and Social Policy;
- (c) To approve the project formulation grant of US\$ 30,000
- (d) To approve the project formulation assistance grant of US\$ 20,000;
- (e) To request PACT to transmit the observations under subparagraph (b) to the Government of Belize;
- (f) To encourage the Government of Belize to submit, through PACT, a fully developed proposal that would also address the observations under subparagraph (b) above.

**(Decision B.37/27)**

(e) *Review of large innovation project and programme proposals*

**1. Concepts**

*Proposals from national implementing entities*

Belize: Securing Water Resources through Solar Energy and Innovative Adaptive Management (SEAM) (Concept note; Protected Areas Conservation Trust (PACT); AF00000272; US\$ 4,970,000)

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

- (a) To not endorse the large innovation project concept as supplemented by the clarifications provided by the Protected Areas Conservation Trust (PACT) in response to the requests made by the technical review;
- (b) To suggest that PACT reformulate the proposal, taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should further elaborate on the innovation rational by clarifying the roll-out methodology of the proposed innovation;
  - (ii) The proposal should describe the expected benefits of the proposed actions in the vulnerable communities;
  - (iii) The proposal should clarify the alternative livelihood actions that will be considered under component two and further elaborate on the process by which this will occur;
  - (iv) The proposal should provide consultation reports for all target communities, including those conducted with women and identified vulnerable groups;

- (v) The proposal should provide an estimate of the maintenance cost of systems to be installed;
- (vi) The proposal should further provide information on coherence and complementarity with other projects;
- (c) To not approve the project formulation grant of US\$ 30,000;
- (d) To not approve the project formulation assistance grant of US\$ 20,000;
- (e) To request PACT to transmit the observations under subparagraph (b) to the Government of Belize.

**(Decision B.37/28)**

*Proposals from multilateral implementing entities*

Somalia: Enhancing Adaptation and Resilience through Nature-based Solutions (EARNSS) in Somalia (Concept note; United Nations Environment Programme (UNEP); AF00000275; US\$ 5,000,000)

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

- (a) To not endorse the large innovation project concept as supplemented by the clarifications provided by the United Nations Environment Programme (UNEP) in response to the request made by the technical review;
- (b) To suggest that the UNEP reformulate the proposal, taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) An initial gender assessment that adequately describes the climate change differentiated impacts on women in the target areas should be submitted along with the proposal;
  - (ii) The proposal should provide an explanation on the criteria and process for ensuring cost-effectiveness for projects selected under the community innovation fund;
- (c) To request UNEP to transmit the observations under subparagraph (b) to the Government of Somalia.

**(Decision B.37/29)**

Viet Nam: Promoting Financial Incentive Mechanisms for Community-based Sustainable Coastal Wetland Management in Viet Nam (CM-FIM) (Concept note; International Fund for Agricultural Development (IFAD); AF00000274; US\$ 5,000,000)

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

(a) To not endorse the large innovation project concept as supplemented by the clarifications provided by the International Fund for Agricultural Development (IFAD) in response to the requests made by the technical review;

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

(i) The proposal should describe how the project /programme would promote new and innovative solutions to climate change adaptation, and how it aims to roll out and/or scale up successful innovative adaptation practices, tools and technologies;

(ii) The proposal should describe or justify the novelty or newness of the proposed practice for the area and how it will modify the practice to match the project context;

(iii) The proposal should clarify why or how some of the elements, such as mobilizing the existing financial services, matching grants and financial incentives, are considered innovative, and justify how these are not well-established financial tools that could be employed without the use of funding dedicated to innovation in adaption;

(iv) The proposal should clarify how capacity-building will be tailored to support innovation;

(v) The proposal should elaborate on the criteria that will be used to select and negotiate the preferred financial mechanism;

(vi) The proposal should elaborate on the mangrove management and income-generating activities;

(c) Request IFAD to transmit the observations under subparagraph (b) to the Government of Viet Nam.

**(Decision B.37/30)**

## 2. Pre-concepts

### *Proposals from regional implementing entities*

Kenya, Uganda: Unlocking Investments in Female and Youth-led Early-growth Stage Adaptation Micro, Small and Medium-sized Enterprises in Kenya and Uganda (Pre-concept note; United Nations Industrial Development Organization (UNIDO); AF00000276; US\$ 5,000,000)

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

- (a) To endorse the large innovation project pre-concept note as supplemented by the clarifications provided by the United Nations Industrial Development Organization (UNIDO) in response to the request made by the technical review;
- (b) To request the secretariat to notify UNIDO 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, both from the regional perspective and in the individual countries;
  - (ii) The concept note should describe the selection criteria of beneficiary micro-, small and medium-sized enterprises (MSMEs) and clarify whether they will be completely developed at full proposal stage or whether there will be further development and refinement as the project progresses during implementation;
  - (iii) The concept note should provide more specific mapping of the adaptation small and medium-sized enterprises (SMEs) based on a detailed market assessment;
  - (iv) At the concept stage, sustainability considerations should be described from environmental, social, institutional, economic and financial perspectives;
  - (v) The concept note should be accompanied by an initial gender assessment and community consultation reports;
- (c) To request UNIDO to transmit the observations under subparagraph (b) to the Governments of Kenya and Uganda;
- (d) To encourage the Governments of Kenya and Uganda to submit, through UNIDO, a concept note that would also address the observations under subparagraph (b) above.

**(Decision B.37/31)**

*(f) 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 (Bhutan Trust Fund for Environmental Conservation (BT FEC); AFRDG00056; US\$ 250,000)

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

- (a) To approve the innovation small grant proposal as supplemented by the clarifications provided by the Bhutan Trust Fund for Environmental Conservation (BT FEC) in response to the requests made by the technical review;
- (b) To approve the funding of US\$ 250,000 for the implementation of the project, as requested by BT FEC;
- (c) To request the secretariat to draft an agreement with BT FEC as the national implementing entity for the project.

**(Decision B.37/32)**

Uganda: Enhancing Resilience to Climate-induced Flooding and Drought through the Deployment of a Water-filled Barrier (Ministry of Water and Environment (MoWE); AFRDG00060; US\$ 250,000)

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

- (a) To not approve the innovation small grant proposal as supplemented by the clarifications provided by the Ministry of Water and Environment (MoWE) in response to the requests made by the technical review;
- (b) To suggest that MoWE reformulate the proposal, taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issue:
  - (i) Provide more information on the effectiveness of the proposed intervention, especially through lessons learned from the experiences in other countries;
- (c) To request MoWE to transmit the observations under subparagraph (b) to the Government of Uganda.

**(Decision B.37/33)**

*(g) Review of learning grant proposal*

Costa Rica: Grant to Facilitate Learning and Knowledge Sharing; (Fundecooperación para el Desarrollo Sostenible (Fundecooperación); AFRDG00059; US\$ 149,994)

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

- (a) To approve the learning project as supplemented by the clarifications provided by Fundecooperación para el Desarrollo Sostenible (Fundecooperación) in response to the request made by the technical review;
- (b) To approve the funding of US\$ 149,994 for the implementation of the project, as requested by Fundecooperación;
- (c) To request the secretariat to draft an agreement with Fundecooperación as the national implementing entity for the project.

**(Decision B.37/34)**

**Agenda item 7: Report of twenty-eighth meeting of the Ethics and Finance Committee**

63. Mr. Mohamed Zmerli (Tunisia, Africa), Chair of the EFC, presented the report of the EFC (AFB/EFC.28/9).

64. Having considered the comments and recommendation of the EFC, the Board subsequently took the decisions below on matters considered by the EFC at its twenty-eighth meeting.

*a) Annual performance report for the fiscal year 2021*

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

- (a) To approve the annual performance report (APR) for the fiscal year 2021 as contained in document AFB/EFC.28/3;

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

**(Decision B.37/35)**

b) *Report of the Chair of the Technical Evaluation Reference Group: mid-term review of the Medium-term Strategy; and*

c) *Management response to the mid-term review of the Medium-term Strategy*

66. Having considered the recommendation of the Ethics and Finance Committee (EFC) regarding the report on the mid-term review of the Medium-term Strategy of the Adaptation Fund by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), as contained in document AFB/EFC.28/7, as well as the initial management response prepared by the secretariat, as contained in document AFB/EFC.28/6, the Adaptation Fund Board (the Board) decided:

(a) To take note of the key findings and recommendations of the mid-term review (MTR) of the Medium-term Strategy of the Adaptation Fund, including its annexes, and of the initial management response prepared by the Adaptation Fund Board secretariat;

(b) To request the Adaptation Fund Board secretariat to prepare an updated management response reflecting the views expressed by the Ethics and Finance Committee at its twenty-eighth meeting on the findings and recommendations set out in the MTR report, for approval by the Board during the intersessional period between the thirty-seventh and thirty-eighth meetings of the Board;

(c) To request the Adaptation Fund Board secretariat, in consultation with the AF-TERG, to prepare an action plan to respond to the recommendations arising from the MTR, reflecting the final management response, for approval by the Board during the intersessional period between the thirty-seventh and thirty-eighth meetings of the Board;

(d) To request the Adaptation Fund Board secretariat to report to the EFC, at its thirtieth meeting (October 2022), on the progress made in implementing the action plan.

**(Decision B.37/36)**

d) *Update on the implications of the fiduciary issues related to the United Nations Development Programme*

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

(a) To take note, with concern, of the update report by the Adaptation Fund Board secretariat, as set out in document AFB/EFC.28/8;

- (b) To request the secretariat to continue coordinating 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;
- (c) To request the United Nations Development Programme:
  - (i) To commission a review of its compliance with the Adaptation Fund's policy on fiduciary standards by an independent third party to be selected in consultation with the Adaptation Fund Board secretariat;
  - (ii) To assess any fiduciary issues that occurred on all projects already completed or at the completion stage, as listed in annex 1 to document AFB/EFC.28/8, in application of paragraph 33 of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund as amended in October 2017;
  - (iii) To report on the status of the matters referred to in subparagraphs (c) (i) and (ii) above to the Board at its thirty-ninth meeting and provide the Adaptation Fund Board with regular updates on such matters and the outcome of the work as soon as they are available.

**(Decision B.37/37)**

#### **Agenda item 8: Medium-term strategy of the Fund beyond 2022**

68. The manager of the secretariat presented the information set out in document AFB/B.37/11, including a process for developing a medium-term strategy of the Fund beyond 2022. Among other things, he noted that while the Board had not yet taken an explicit decision on a second medium-term strategy, the current strategy included a general plan to develop a subsequent strategy and outlined how its development would be informed by evaluations of the current strategy. In addition, the implementation plan for the current strategy indicated that the development of a medium-term strategy for the period 2023–2027 would be launched in 2021 and finalized in 2022. Hence, the report of the AF-TERG on the mid-term review of the Medium-term Strategy (2018–2022) had included recommendations on the matter.

69. The chair of the AF-TERG then presented the related recommendations in the mid-term review report (AFB/EFC.28/7), namely recommendations 5 and 6, and outlined the related explanations provided in the report.

70. Following their presentations, the manager of the secretariat and the chair of the AF-TERG responded to members' questions and comments.

71. The manager of the secretariat explained the process of setting up the proposed task force, saying that the Chair and Vice-Chair would normally coordinate with the Annex I and non-Annex I constituencies regarding candidacies for nominations by the Board. He also explained the reasoning behind the informal session of the Board proposed as part of the strategy development process; although the Board had not previously held an informal session, such sessions were used by other funds to allow full discussion of complex matters such as the medium-term strategy.

72. The chair of the AF-TERG spoke about the importance, given the evolving external context, of considering the Fund's niche, its positioning relative to other climate funds and the comparative advantage it offered in terms of a forward-looking strategy. She also addressed a question on how to deal with resourcing uncertainties, explaining that different funding scenarios would need to be considered, with the resource envelope linked to the Fund's ambition and the results that it planned to deliver. At the same time, the Fund should build on the work it had already done, with the aim of optimizing and consolidating its gains.

73. Having considered the information contained in document AFB/B.37.11 on the Medium-term Strategy of the Fund beyond 2022, the Adaptation Fund Board (the Board) decided:

- (a) To develop a medium-term strategy for the Adaptation Fund for the period 2023–2027 (MTS 2023–2027), taking into account the findings and recommendations of the mid-term review of the Medium-term Strategy for the period 2018–2022, as contained in document AFB/EFC.28/7, and related Board discussions;
- (b) To establish a task force to guide the work of the secretariat on the MTS 2023–2027, composed of three members from Annex I countries and three members from non-Annex I countries, to be elected intersessionally;
- (c) To request the secretariat to undertake the following preparatory work towards developing the MTS 2023–2027, under the guidance of the task force mentioned in subparagraph (b) above:
  - (i) To prepare, under the guidance of the task force, a document which contains elements and options for the MTS 2023–2027, to be considered by the Board at its thirty-eight meeting, with a view to developing the final draft strategy for consideration by the Board at its thirty-ninth meeting;
  - (ii) To arrange, if feasible, an additional informal session in conjunction with the Board's thirty-eighth meeting to consider the outcomes of the consultations and to guide the preparation of the draft MTS 2023–2027;
  - (iii) To solicit inputs, when developing the elements and options mentioned in subparagraph (c) (i) above and when finalizing the draft MTS 2023–2027 mentioned in subparagraph (c) (ii) above, through open and inclusive consultations of the various stakeholders of the Fund, including the Board, contributor and recipient governments, accredited implementing entities, Adaptation Fund Civil Society Network and other civil society representatives, and other relevant stakeholders.

**(Decision B.37/38)**

#### **Agenda item 9: Draft resource mobilization strategy for the period 2021–2024**

74. The representative of the secretariat introduced the draft resource mobilization strategy for the period 2021–2024 (AFB/B.37/14) and a draft resource mobilization action plan (AFB/B.37/14/Add.1 – confidential). The strategy, which was the third for the Fund, had been prepared in response to the Board's request at its thirty-sixth meeting. Earlier strategies had

recognized the difficulties presented by the Fund's inability to consistently raise funds and advocated diversification of the funding sources. Over the years, the Fund had shown a gradual increase in the amounts pledged and diversification of contributing entities, including national and subnational governments and private foundations.

75. Following the introduction of the document, the Board continued its discussion in a closed session.

76. The Board took note of the report by the secretariat and the views expressed during the closed session.

#### **Agenda item 10: Objectives and indicators for innovation aspects of projects**

77. The representative of the secretariat introduced the document on strategic objectives and indicators for the innovation aspects of projects (AFB/B.37/6), including specific proposed indicators. She pointed out that one of the challenges with innovation projects was that they required iterative loops, meaning that measuring the process was as important as measuring the project results. An additional challenge was that innovation entailed risk and that for innovative projects the definition of risk may be different from that for regular projects. In preparing the document the secretariat had examined the indicators used by other funds and solicited the input of the AF-TERG. The indicators would continue to be reassessed as the project portfolio evolved.

78. In response to a query about potential overlap in indicators, she agreed that it was possible but said that the indicators were sufficiently discrete to warrant being measured; they provided useful information and answered different questions. She also agreed on the usefulness of incorporating indicators for risk and took note of the comment that most of the indicators proposed were process-related. She said that other indicators, such as return on investment, had been considered but that it was too early to propose feasible indicators without first discussing what level of risk was acceptable. Measuring innovation in adaption was an emerging field and it would be useful to consult the Adaptation Committee on the subject.

79. Members pointed out that while challenging, project results should be assessed as they were also intrinsic to the evaluation of the process. The effectiveness of innovations in terms of their actual impact had to be measured. Indicators for innovation had to be concrete, although that could be looked at in more depth in the future, as innovation was a new and developing area of work generally, not just for the Fund.

80. Members commended the secretariat for seeking the input of the AF-TERG but said that specific indicators should be developed to track the progress made in achieving the Global Goal on Adaptation under the Paris Agreement. A member of the Board asked whether the Adaption Fund, as an innovative fund, should address loss and damage.

81. The representative of the secretariat took note of members' comments and said the next step would be a technical discussion of indicators in the PPRC, which would allow the secretariat more time to work on the indicators and harmonizing them with the strategic results framework. Meanwhile, it would still be useful to pilot the proposed indicators already before the Board.

82. Having considered the information contained in document AFB/B.37/6 on the specific objectives and indicators for the innovation aspects of projects and programmes, the Adaptation Fund Board (the Board) decided:

- (a) To take note of the information presented in document AFB/B.37/6;
- (b) To request the secretariat to pilot the use of the indicators set out in document AFB/B.37/6;
- (c) To request the secretariat to report on the progress and status of the use of the indicators, including any recommendations, to the Project and Programme Review Committee at its twenty-ninth meeting;
- (d) To encourage the secretariat, while piloting the use of indicators, to continue consulting with the Technical Evaluation Reference Group of the Adaptation Fund as needed;
- (e) To request the secretariat to provide an update on the matter to the Board at its thirty-ninth meeting, in the light of any relevant developments for the Fund, including those following from subparagraphs (b) and (c) above.

**(Decision B.37/39)**

#### **Agenda item 11: Amendment of Operational Policies and Guidelines**

83. The representative of the secretariat presented the proposed amendments to the Operational Policies and Guidelines (AFB/B.37/5), which were intended to reflect the decision taken by the Board at its thirty-sixth meeting to enable the accreditation of up to two national implementing entities per country for eligible developing-country parties. The amended Operational Policies and Guidelines were set out in the annex to the document.

84. Having considered document AFB/B.37/5 and its annex, the Adaptation Fund Board decided to approve the amended Operational Policies and Guidelines of the Adaptation Fund as contained in the annex to document AFB/B.37/5.

**(Decision B.37/40)**

#### **Agenda item 12: Issues remaining from earlier meetings**

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

85. Introducing the item, the representative of the secretariat recalled that at its thirty-sixth meeting the Board had requested the secretariat to continue discussions with GCF and to report back to the Board at the current meeting. He drew attention to document AFB/B.37/7 containing an update on the strategic discussion between the Fund and GCF and the potential linkages between the two funds and reported on the four activities undertaken during the intersessional period, as more fully described in the document.

86. Members welcomed efforts to ensure coherence with GCF and other funds, including aligning and streamlining processes and formats among funds while respecting environmental, social and fiduciary standards. Thus, the harmonization of accreditation was particularly noteworthy. One member also drew attention to and welcomed a joint statement issued by the climate funds on a climate-resilient recovery from the coronavirus disease crisis, which she said was an important signal from those multilateral funds.

87. Members also offered suggestions, with one saying that the funds should also focus on advancing national capacities to enable country stakeholders to take the lead in coordinating funds. Another asked that discussions with the GCF also focus on three specific issues that had emerged during discussions at the twenty-eighth PPRC meeting, namely early warning system support, gender indicators and the full cost of adaptation reasoning.

88. Welcoming the suggestions, the representative of the secretariat said that the Fund and GCF were both part of the Alliance for Hydromet Development, which was working on an early warning system; the area had clear potential for further collaboration with GCF as 20 per cent of the Fund's portfolio currently supported projects that dealt with early warning systems. While there was no active collaboration with GCF on clarifying the full cost of adaptation reasoning, discussions in areas such as knowledge management had focused on how the adaptation rational could be strengthened. With respect to coordination with other climate finance players, the Fund did not have a coordination mechanism but could pursue the question in the next round of discussions with GCF.

89. The representative of the secretariat also addressed members' questions. Regarding coordination with climate finance actors other than GCF, he said that the secretariat was working with GCF, the Global Environment Facility and the Climate Investment Funds on activities involving the implementing entities, which included United Nations entities and national development banks, but that such actors were not currently involved directly in the coordination discussions. Regarding the criteria for identifying projects for scale-up by GCF, he said that the Fund included projects that were completed or near completion and that had good sustainability potential based on the mid-term evaluation. Finally, on the question of whether the Fund contributed, along with GCF, to financing of the Community of Practice for Direct Access Entities (CPDAE) Action Plan, he said that that it did not, but that the Fund continued to work with CPDAE for its ongoing activities, including supporting its chair and vice-chair, helping with communications issues and financing the CPDAE website.

90. Having considered the ongoing efforts to enhance complementarity between the Adaptation Fund and the Green Climate Fund as outlined in document AFB/B.37/7 and annex I thereto, the Adaptation Fund Board (the Board) decided:

- (a) To take note of the report set out in document AFB/B.37/7 providing an update on the recent cooperation between the Adaptation Fund and the Green Climate Fund (GCF);
- (b) To request the Chair and the 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, as described in document GCF/B.22/09 and its annex I;

- (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 six activities of the 2019 roadmap (annex I to document AFB/B.37/7);
- (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-eighth meeting;
  - (ii) An update on the matter referred to in subparagraph (b) above once it has been considered by the GCF Board.

**(Decision B.37/41)***b) Options to further enhance civil society participation and engagement in the work of the Board*

91. The representative of the secretariat introduced a report on options to enhance the participation of civil society in the work of the Board (AFB/B.37/8), which set out the results of a study of the need for such a policy, which was drawn from a review of the practices and policies at other climate funds and the results of a survey of the Board on different options to enhance such participation, as well as secretariat's two observations and recommendations for enhancing civil society engagement in the work of the Board.

92. Subsequently, responding to members' questions and comments, the representative of the secretariat said that three actions proposed by the secretariat to enhance civil society participation could be implemented immediately without amending the existing policies and would not significantly affect the budget of the Board and the secretariat, provided that the dedicated web page on civil society and stakeholder engagement would be launched in a relatively simple format and that civil society representatives would participate virtually rather than travelling to the readiness meetings. In response to a request, she also said that if time allowed, the secretariat would share any draft policy or guideline on the subject with the members of the Board for their comments in advance of the thirty-eighth meeting of the Board.

93. Having considered the information contained in document AFB/B.37/8, the Adaptation Fund Board (the Board) decided:

- (a) To request the secretariat, with a view to enhancing the Adaptation Fund's collaboration with civil society:
  - (i) To continue engaging with civil society and other stakeholders for their active contribution to the process of reviewing the existing and emerging policies and procedures of the Adaptation Fund (the Fund);
  - (ii) To create a dedicated section on the Fund's website related to the Fund's engagement with stakeholders, including civil society, and update it as the discussions on stakeholder engagement evolve;

(iii) To invite civil society members to the Fund's readiness workshops and webinars and consider organizing a session dedicated to civil society engagement, as appropriate and within budget;

(b) To request the secretariat to prepare a draft outline of a policy or guidelines on civil society engagement, taking into account the findings of the survey results and the study on the need for the policy, as contained in document AFB/B.37/8, as well as the Board's discussions at its thirty-seventh meeting, and to present it for the Board's consideration at its thirty-eighth meeting.

**(Decision B.37/42)**

c) *Options to address the issue of an absence of quorum*

94. The representative of the secretariat introduced a report on options to address the issue of an absence of quorum (AFB/B.37/9), recalling that the mandate to prepare the document had arisen because the PPRC had to address the issue of a lack of quorum at its twenty-fourth meeting. Before presenting the secretariat's conclusions, she reviewed the relevant Board rules of procedures regarding quorum and the practices of the Global Environment Facility, the Climate Investment Funds and GCF, particularly GCF as it had had issues with quorum in its committees. The secretariat concluded that current practice to address the issue of an absence of a quorum was largely consistent with practices of other climate funds.

95. Asked whether rule 14 of the rules of procedure, regarding termination of a member, had ever been applied, the manager of the secretariat said that it had not.

96. The Board took note of the information presented.

### **Agenda item 13: Knowledge management, communications and outreach**

97. Representatives of the secretariat provided updates on the work done during the intersessional period in the areas of knowledge management and communications and outreach, as more fully described in the report on activities of the secretariat (AFB/B.37/3).

98. With respect to knowledge management, the representative of the secretariat said that one learning grant proposal had been received and reviewed during the period, following which an e-learning course had been produced with information on knowledge at the Fund level and guidance on how to prepare learning grant proposals, including a case study. The Fund had also participated in knowledge events and conferences during the period, commissioned three publications on lessons learned in various areas, including reaccreditation, and produced a video and podcast on the importance of knowledge-sharing in the context of country exchanges. Finally, she described the upcoming 2021 United Nations Climate Change Conference events that the Fund would host or participate in.

99. With respect to communications and outreach, the representative of the secretariat presented an overview of the goals of the Fund's communications efforts, the materials produced during the period and statistics demonstrating growing awareness of the Fund and enhanced engagement and platforms, as described in the document. This included news releases, stories, blogs, videos,

podcasts, photo albums, brochures, social media and other products developed/shared during the period, and data showing significant increases in website use, social media and press engagements with Fund. The development of outreach activities for Adaptation Futures and COP26 were shared, including design of Fund's first pavilion at COP.

100. The Board took note of the information presented.

#### **Agenda item 14: Dialogue with civil society organizations**

101. The dialogue with civil society organizations consisted of three presentations and a short period for questions and comments. The report on the dialogue is set out in annex IV to the present report.

102. The Board took note of the presentations and recommendations of civil society.

#### **Agenda item 15: Election of officers for the next period of office**

103. The Adaptation Fund Board decided:

(a) To elect:

(i) Mr. Mattias Broman (Sweden, Annex I Parties) as Chair of the Ethics and Finance Committee;

(ii) Ms. Susana Castro-Acuña Baixauli (Spain, Western European and Others Group) as Vice-Chair of the Project and Programme Review Committee;

(b) To further elect the Chair and Vice-Chair of the Board, the Vice-Chair of the Ethics and Finance Committee, the Chair of the Project and Programme Review Committee and the Chair and Vice-Chair of the Accreditation Panel during the intersessional period between its thirty-seventh and thirty-eight meetings.

**(Decision B.37/43)**

104. Following the election of officers, one member questioned the ability of the Chair of the Board to continue in his office given that he had just been elected as Chair of the Ethics and Finance Committee. The manager of the secretariat explained that under the rules of procedure, which also applied to the committee chairs and vice-chairs, the term of office of the Chair and Vice-Chair started at the first meeting in each year. Consequently, the Chair of the Board would only take up his duties of Chair of the Ethics and Finance Committee once he had relinquished his office as Chair of the Board.

#### **Agenda item 16: Date and venue of meetings in 2022 and onward**

105. The manager of the secretariat recalled that at its thirty-sixth meeting, the Board had decided to hold its thirty-eighth meeting in Bonn, Germany, from 14 to 18 March 2022 and its thirty-ninth meeting in Bonn, Germany, from 10 to 14 October 2022.

106. The Board took note of the information.

**Agenda item 17: Implementation of the code of conduct**

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

**Agenda item 18: Other matters**

108. The representative of the secretariat presented two draft decisions for projects to be implemented by a recently reaccredited national implementing entity.

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).

109. 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 clarifications provided by the Partnership for Governance Reform in Indonesia (Kemitraan) in response to the request made by the technical review;
- (b) To approve the funding of US\$ 963,456 for the implementation of the project, as requested by Kemitraan;
- (c) To request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project.

**(Decision B.37/44)**

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)

110. 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 clarifications provided by the Partnership for Governance Reform in Indonesia (Kemitraan) in response to the request made by the technical review;
- (b) To approve the funding of US\$ 824,835 for the implementation of the project, as requested by Kemitraan;

(c) To 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 for the project that includes the core impact indicator “Number of beneficiaries”, including estimates of direct and indirect beneficiaries, and a second core indicator related to “Assets produced, developed, improved or strengthened”.

**(Decision B.37/45)**

**Agenda item 19: Adoption of the report**

111. The present report was adopted by the Board intersessionally following its thirty-seventh meeting.

**Agenda item 20: Closure of the meeting**

112. Following the customary exchange of courtesies, the Chair declared the meeting closed at 5.20 p.m. (Central European Time, UTC+1) on 21 October 2021.

## ANNEX I

## ATTENDANCE AT THE THIRTY-SEVENTH MEETING OF THE ADAPTATION FUND BOARD

<b>MEMBERS</b>		
<b>Name</b>	<b>Country</b>	<b>Constituency</b>
Mr. Ibila Djibril	Benin	Africa
Ms. Patience Dampthey	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
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

<b>ALTERNATES</b>		
<b>Name</b>	<b>Country</b>	<b>Constituency</b>
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
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
Mr. Matthias Bachmann	Switzerland	Annex I Parties
Ms. Naima Oumoussa	Morocco	Non-Annex I Parties

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

1. Opening of the meeting.
2. Organizational matters:
  - a) Adoption of the agenda;
  - b) Organization of work.
3. Report on activities of the Chair.
4. Report on activities of the secretariat.
5. Report of the Accreditation Panel.
6. Report of the twenty-eighth meeting of the Project and Programme Review Committee 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 enhanced direct access project proposals
  - c) Report of the secretariat on initial screening/technical review of innovation large project proposals;
  - d) Report of the secretariat on initial screening/technical review of innovation small grant project proposals;
  - e) Report of the secretariat on initial screening/technical review of learning grant and project scale-up proposals;
  - f) Full cost of adaptation reasoning.
7. Report of the twenty-eighth meeting of the Ethics and Finance Committee on:
  - a) Annual performance report for the fiscal year 2021;
  - b) Financial issues;
  - c) Report of the Chair of the Technical Evaluation Reference Group;
  - d) Management response to the mid-term review of the Medium-term Strategy;

- e) Update on implications of the fiduciary issues related to the United Nations Development Programme.
8. Medium-term Strategy of the Fund beyond 2022.
  9. Draft resource mobilization strategy for the period 2021–2024.
  10. Objectives and indicators for innovation aspects of projects.
  11. Amendment of Operational Policies and Guidelines.
  12. Issues remaining from earlier meetings:
    - a) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund;
    - b) Options to further enhance civil society participation and engagement in the work of the Board;
    - c) Options to address the issue of an absence of quorum.
  13. Knowledge management, communications and outreach.
  14. Dialogue with civil society organizations.
  15. Election of officers for the next period of office.
  16. Date and venue of meetings in 2022 and onward.
  17. Implementation of the code of conduct.
  18. Other matters.
  19. Adoption of the report.
  20. Closure of the meeting.

## ANNEX III

**AFB37: SUMMARY OF FUNDING DECISIONS FOR PROJECTS AND PROGRAMMES AT THE THIRTY-SEVENTH 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
<b>NIE</b>								
	Bhutan	BT FEC	AFB/PPRC/28/5	9,998,955			Not approve	0
	Indonesia (1)	Kemitraan	AFB/PPRC.27/5	963,456			Approve	963,456
	Indonesia (2)	Kemitraan	AFB/PPRC.27/6	824,835			Approve	824,835
	Tanzania (United Republic of) (1)	NEMC	AFB/PPRC/28/6	2,500,000			Not approve	0
	Tanzania (United Republic of) (2)	NEMC	AFB/PPRC/28/7	4,000,000			Not approve	0
	Uganda (1)	MoWE	AFB/PPRC/28/8	2,249,000			Not approve	0
<b>MIE</b>								
	Côte d'Ivoire	IFAD	AFB/PPRC/28/9			6,000,000	Waitlist (2 <sup>nd</sup> )	0
	Haiti	UNESCO	AFB/PPRC/28/10			9,916,344	Waitlist (1 <sup>st</sup> )	0
	Malaysia	UN-Habitat	AFB/PPRC/28/11			10,000,000	Waitlist (3 <sup>rd</sup> )	0
<b>Sub-total, USD</b>				<b>20,536,246</b>		<b>25,916,344</b>		<b>1,788,291</b>
2. Concepts: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
<b>NIE</b>								
	Costa Rica	Fundecooperación	AFB/PPRC/28/12	10,000,000			Not endorse	-
	Honduras	CASM	AFB/PPRC/28/13	4,000,000			Not endorse	-
	Tanzania (United Republic of) (3)	NEMC	AFB/PPRC/28/14	3,500,000			Endorse	-
	Uganda (2)	MoWE	AFB/PPRC/28/15	9,504,600			Not endorse	-
<b>RIE</b>								
	Trinidad and Tobago	CAF	AFB/PPRC/28/16		10,000,000		Endorse	-
<b>MIE</b>								
	Nicaragua	FAO	AFB/PPRC/28/17			10,000,000	Not Endorse	-
	North Macedonia	FAO	AFB/PPRC/28/18			9,991,711	Endorse	-
	Vanuatu	FAO	AFB/PPRC/28/19			7,128,450	Endorse	-
<b>Sub-total, USD</b>				<b>27,004,600</b>	<b>10,000,000</b>	<b>27,120,161</b>		<b>-</b>
3. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
<b>NIE</b>								
<b>PFG</b>	Costa Rica	Fundecooperación	AFB/PPRC/28/12/Add.1	30,000			Not approve	0
<b>PFA</b>	Costa Rica	Fundecooperación	AFB/PPRC/28/12/Add.2	20,000			Not approve	0
<b>PFG</b>	Honduras	CASM	AFB/PPRC/28/13/Add.1	30,000			Not approve	0
<b>PFA</b>	Honduras	CASM	AFB/PPRC/28/13/Add.2	20,000			Not approve	0
<b>PFG</b>	Tanzania (United Republic of) (3)	NEMC	AFB/PPRC/28/14/Add.1	30,000			Approve	30,000
<b>PFG</b>	Uganda (2)	MoWE	AFB/PPRC/28/15/Add.1	45,000			Not approve	0
<b>Sub-total, USD</b>				<b>175,000</b>	<b>-</b>	<b>-</b>		<b>30,000</b>

4. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Benin, Burkina Faso, Côte d'Ivoire, Gambia (Republic of The), Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo	OSS	AFB/PPRC/28/20		14,000,000		Approve	14,000,000
<b>Sub-total, USD</b>				-	<b>14,000,000</b>	-		<b>14,000,000</b>
5. Concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe	IFAD	AFB/PPRC/28/21			13,932,000	Not endorse	-
	Cuba, Panama	FAO	AFB/PPRC/28/22			14,000,000	Endorse	-
	India, Sri Lanka	WFP	AFB/PPRC/28/23			13,995,524	Endorse	-
<b>Sub-total, USD</b>				-	-	<b>41,927,524</b>		-
6. Project Formulation Grants (PFG): Regional Concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
PFG	Cuba, Panama	FAO	AFB/PPRC/28/22/Add.1			100,000	Approve	100,000
PFG	India, Sri Lanka	WFP	AFB/PPRC/28/23/Add.1			80,000	Approve	80,000
<b>Sub-total, USD</b>				-	-	<b>180,000</b>		<b>180,000</b>
7. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Benin, Togo	OSS	AFB/PPRC/28/24		14,000,000		Endorse	-
MIE								
	Cambodia, Lao (People's Democratic Republic), Myanmar, Thailand, Viet Nam	WMO	AFB/PPRC/28/25			13,662,862	Not endorse	-
	Cambodia, Viet Nam	UNIDO	AFB/PPRC/28/26			14,000,000	Not endorse	-
	Costa Rica, Panama	UNEP	AFB/PPRC/28/27			11,900,000	Endorse	-
<b>Sub-total, USD</b>				-	<b>14,000,000</b>	<b>39,562,862</b>		-
8. Project Formulation Grants (PFG): Regional pre-concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
PFG	Benin, Togo	OSS	AFB/PPRC/28/24/Add.1		20,000		Approve	20,000
MIE								
PFG	Cambodia, Lao (People's Democratic Republic), Myanmar, Thailand, Viet Nam	WMO	AFB/PPRC/28/25/Add.1			19,980	Not approve	0
PFG	Cambodia, Viet Nam	UNIDO	AFB/PPRC/28/26/Add.1			20,000	Not approve	0
PFG	Costa Rica, Panama	UNEP	AFB/PPRC/28/27/Add.1			20,000	Approve	20,000
<b>Sub-total, USD</b>				-	<b>20,000</b>	<b>59,980</b>		<b>40,000</b>
<b>GRAND TOTAL (1+2+3+4+5+6+7+8)</b>				<b>47,715,846</b>	<b>38,020,000</b>	<b>134,766,871</b>		<b>16,038,291</b>

9. Full Proposal: Enhanced Direct Access	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE	Rwanda	MoE	AFB/PPRC/28/29	5,000,000			Not approve	0
<b>Sub-total, USD</b>				<b>5,000,000</b>	-	-		<b>0</b>
10. Concept: Enhanced Direct Access	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE	Belize	PACT	AFB/PPRC/28/30	5,000,000			Endorse	-
<b>Sub-total, USD</b>				<b>5,000,000</b>	-	-		<b>-</b>
11. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Enhanced Direct Access	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
PFG	Belize	PACT	AFB/PPRC/28/30/Add.1	30,000			Approve	30,000
PFA	Belize	PACT	AFB/PPRC/28/30/Add.2	20,000			Approve	20,000
<b>Sub-total, USD</b>				<b>50,000</b>	-	-		<b>50,000</b>
<b>GRAND TOTAL (9+10+11)</b>				<b>10,050,000</b>	-	-		<b>50,000</b>
12. Concepts Single- country: Large Innovation Projects	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE	Belize	PACT	AFB/PPRC/28/32	4,970,000			Not endorse	-
MIE	Somalia	UNEP	AFB/PPRC/28/33			5,000,000	Not endorse	-
	Viet Nam	IFAD	AFB/PPRC/28/34			5,000,000	Not endorse	-
<b>Sub-total, USD</b>				<b>4,970,000</b>	-	<b>10,000,000</b>		<b>-</b>
13. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Single-country Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
PFG	Belize	PACT	AFB/PPRC/28/32/Add.1	30,000			Not approve	0
PFA	Belize	PACT	AFB/PPRC/28/32/Add.2	20,000			Not approve	0
<b>Sub-total, USD</b>				<b>50,000</b>	-	-		<b>-</b>
14. Pre-concepts Regional: Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE	Kenya, Uganda	UNIDO	AFB/PPRC/28/35		5,000,000		Endorse	-
<b>Sub-total, USD</b>				<b>-</b>	<b>5,000,000</b>	-		<b>-</b>
<b>GRAND TOTAL (12+13+14)</b>				<b>5,020,000</b>	<b>5,000,000</b>	<b>10,000,000</b>		<b>-</b>
15. Innovation Small Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE	Bhutan	BTFEC	AFB/PPRC/28/37	250,000			Approve	250,000
	Uganda	MoWE	AFB/PPRC/28/38	250,000			Not approve	0
<b>Sub-total, USD</b>				<b>500,000</b>	-	-		<b>250,000</b>
16. Learning Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE	Costa Rica	Fundecooperación	AFB/PPRC/28/40	149,994			Approve	149,994
<b>Sub-total, USD</b>				<b>149,994</b>	-	-		<b>149,994</b>
<b>GRAND TOTAL (1+2+3+4+5+6+7+8+9+ 10+11+12+13+14+15+ 16)</b>				<b>63,435,840</b>	<b>43,020,000</b>	<b>144,766,871</b>		<b>16,488,285</b>

**ANNEX IV****DIALOGUE WITH CIVIL SOCIETY, 19 OCTOBER 2021, BONN, GERMANY (VIRTUAL)**

1. The Vice-Chair of the Adaptation Fund Board, Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific), invited the Board to enter into a dialogue with civil society organizations (CSOs).
2. Ms. Elin Lorimer, Indigo Development and Change, spoke on the evolution of the Adaptation Fund Civil Society Network and its proposals for enhancing CSO engagement. The network had grown to over 250 partners organized through seven regional hubs, mostly in the global South, and had recently been renamed to better reflect its membership. It was led by a group of 11 active members, a steering committee and a secretariat of up to three members. It included non-governmental organizations and foundations, academic institutions, CSOs and indigenous peoples and women's organizations but no private sector entities. Its governing principles were decentralization and flexibility, transparency and accountability, independence and inclusiveness, and participation and empowerment.
3. Part of the renewal process for the network had been an assessment of civil society's capacity-building needs. There had been a great deal of interest from CSOs on how to obtain resources from the Fund, develop climate finance proposals, engage in national Adaptation Fund decision-making, and how to contribute to Adaptation Fund project assessment, as well as on the role of implementing and executing entities. The Network planned to host three online modules on CSO engagement with the Adaptation Fund. She welcomed the inclusion of an item on enhancing engagement with CSOs on the agenda for the current meeting and urged the Board to move forward with a decision on the matter. In addition to the issues raised in the paper prepared by the secretariat, she advocated summaries of country-specific information on the Fund's website, in the language used in the country concerned, and the inclusion of active CSO observers on the Board, not just from her network but more broadly from among civil society. With respect to the projects under consideration, the network had solicited a variety of comments and after reviewing them had noticed that there were still challenges for ongoing stakeholder consultations in the projects of multilateral implementing entities, in particular with regional proposals. While many projects addressed issues of concern, they needed to be embedded in the local research done at the project development stage through consultations with local beneficiaries, non-governmental organizations and local academic institutions. Some of the proponents have been responsive to CSO comments and had modified their proposals as a result.
4. Ms. Laura Schäfer, Germanwatch, spoke on climate-induced loss and damage, including non-economic losses and damage. A finance gap existed for vulnerable countries and the most vulnerable communities. By 2030, developing countries could expect financial damage of \$290 billion to 580 billion. There was uncertainty on the financial architecture of the United Nations Framework Convention on Climate Change and whether it could cover loss and damage measures. That had been investigated by focusing on four funds, the Adaptation Fund, Green Climate Fund, Least Developed Countries Fund and Special Climate Change Fund, through an evaluation of their funding scope and their current project portfolio.
5. In general, the current financing mechanisms of the funds of the United Nations Framework Convention on Climate Change were not suitable for funding all loss and damage activities. The best coverage came from setting up, scaling up or building climate risk insurance schemes. A large gap existed in coverage for non-economic loss and damage, but measures that had an element of

adaptive capacity or built resilience had a good chance of being funded. Measured by its funding scope and current project portfolio, the Adaptation Fund held the greatest potential for funding loss and damage, although the Green Climate Fund also had potential given its resources.

6. For the Adaptation Fund, it appeared that insurance schemes would meet its criteria of an adaptation project for funding rehabilitation and response measures if they built resilience. Measures that supported planned relocation, resettlement or the building of alternative livelihoods also fell under the Fund's objectives; however, as the outcomes and outputs had to be measurable and verifiable, non-economic loss and damage might not fulfil the criteria, although they might still be funded as innovation. In closing, she said that the Board should develop guidance on how the financial architecture of the United Nations Framework Convention on Climate Change could address loss and damage. Its scope and financing mechanisms should be expanded to provide funding for loss and damage, which needed new funding from the international community.

7. Mr. Emmanuel Seck, Enda Energie, described how measures for non-economic loss applied in Senegal, a country with 60 per cent of its population living on its coasts and 68 per cent of its gross domestic product coming from that area. Senegal was in the bioclimatic zone of the Sahel and, as one of the countries most vulnerable to climate change, needed extensive financial resources in the face of climate change. It was exposed to slow-moving hazards such as rising sea levels and temperatures, salinization, land degradation, loss of biodiversity and desertification. The result was a significant reduction in agriculture and fishery production and negative effects on the communities concerned. Salinization affected significant areas, which most of the adaptation projects had been addressing, although rising sea levels were also a concern. All that meant declining yields, damaged infrastructure and housing and serious health and social consequences for the population.

8. Some progress had been made, especially with the two projects of the Adaptation Fund, but more should be done to scale them up. He explained the effects of the community ecological areas created in Senegal, which also provided economic benefits to the communities involved. More work had to be done with innovation, as countries like Senegal had already reached their cap for funding under the Fund; the Fund's innovation facility could provide access to additional funding to address the slow-moving hazards and loss and damage.

9. In response to queries, Ms. Lorimer said that achieving diversity had been a challenge; the regional hubs had been set up to ensure regional diversity and although the Network still had a bias toward the global South it was also looking to the global North. The Network also had strong linkages with CSOs of other funds and was looking at areas of collaboration between the funds.

10. Ms. Schäfer said that the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts did not yet have a funding mechanism. While it had been suggested that one be created, that could take time and she suggested that the funds could come from existing funds. Looking at 12 specific loss and damage mechanisms had shown that the Fund could fund loss and damage in addition to adaptive capacity and resilience as they were co-benefits. Given the Fund's limited resources, more funding was needed for that as well.

11. Mr. Seck explained the social benefits of the first project of Senegal that could be considered a pilot project for the coastal management of desalination, and what it could do for the local population in terms of addressing loss and damage if it were scaled up through the innovation facility.

12. The Vice-Chair thanked the CSO representatives for their presentations.