



ADAPTATION FUND

AFB/B.38/12
27 May 2022

Adaptation Fund Board
Thirty-eighth meeting
Bonn, Germany (Hybrid meeting), 7–8 April 2022

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

Introduction

1. The thirty-eighth meeting of the Adaptation Fund Board (the Board) was held in a hybrid format, in person in Bonn, Germany, and online, on 7 and 8 April 2022, back-to-back with the twenty-ninth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC).
2. The meeting was broadcast live through the Adaptation Fund (the Fund) website. The secretariat of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (UNCCD) and the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) both provided logistical and administrative support for the meetings of the Board and its committees.
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.38/Inf.3.

Agenda item 1: Opening of the meeting

4. The meeting was opened at 1.20 p.m. (Central European Time, UTC+1) on 7 April 2022 by the outgoing Chair, Mr. Mattias Broman (Sweden, Western Europe and Others Group).

Agenda item 2: Board membership and election of outstanding officers

(a) *Board membership*

5. Introducing the sub-item, the Manager of the secretariat reported that the Asia-Pacific constituency had recently notified the secretariat of the resignation of Mr. Ahmed Waheed (Maldives, Asia-Pacific) as a member and his subsequent nomination as an alternate member, and the

resignation of Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific) as an alternate member and his nomination as a member.

6. The Chair invited the Board to consider the appointment of the member and alternate member, in line with the rules of procedure, and no issues were raised.

7. The Adaptation Fund Board (the Board) decided to appoint:

(a) Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific) as a member replacing Mr. Ahmed Waheed (Maldives, Asia-Pacific);

(b) Mr. Ahmed Waheed (Maldives, Asia-Pacific) as an alternate member replacing Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific).

(Decision B.38/1)

8. The Chair congratulated Mr. Tawfiq and Mr. Waheed on their appointments as a Board member and alternate member, respectively.

(b) Election of outstanding officers

9. Introducing the sub-item, the outgoing Chair recalled that at its thirty-seventh meeting, the Board had elected himself as Chair of the EFC and Ms. Susana Castro-Acuña Baixauli (Spain, Western Europe and Others) as Vice-Chair of the PPRC. Although the Board had been invited to elect the Chair and Vice-Chair of the Board, the Vice-Chair of the EFC, the Chair of the PPRC and the Chair and Vice-Chair of the Accreditation Panel during the intersessional period, those positions had not yet been filled.

10. The Adaptation Fund Board (the Board) decided to elect:

(a) Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific) as Chair of the Board;

(b) Mr. Antonio Navarra (Italy, Western Europe and Others Group) as Vice-Chair of the Board;

(c) Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States) as Vice-Chair of the Ethics and Finance Committee;

(d) Ms. Fatou Ndeye Gaye (The Gambia, Africa) as Chair of the Project and Programme Review Committee;

(e) Mr. Kevin Adams (United States of America, Annex I) as Chair of the Accreditation Panel;

(f) Ms. Patience Dampsey (Ghana, Africa) as Vice-Chair of the Accreditation Panel.

(Decision B.38/2)

Agenda item 3: Transition of the Chair and Vice-Chair

11. The outgoing Chair handed the Board Chairmanship over to the newly elected Chair and Vice-Chair.

Agenda item 4: Organizational matters

a) Adoption of the agenda

12. The Board adopted the provisional agenda set out in document AFB/B.38/1/Rev.1 as the agenda for the thirty-eighth meeting (see annex II).

13. In adopting the agenda, the Board agreed to consider the possibility of holding its meetings in different countries under agenda item 18, "Other matters".

b) Organization of work

14. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.38/2) and adopted the organization of work proposed by the Chair.

15. The Chair welcomed the following newly elected and appointed members, congratulated them and noted that they would be required to sign the written oath of service, as mandated by the rules of procedure of the AFB:

- Mr. Washington Zhakata (Zimbabwe, Africa) as a member
- Mr. Ali Mohammed (Somalia, Africa) as an alternate member
- Ms. Sohee Gwag (Republic of Korea, Asia-Pacific) as a member
- Ms. Joanna Milwicz vel Delach (Poland, Eastern Europe) as a member
- Ms. Maia Tskhvaradze (Georgia, Eastern Europe) as an alternate member
- Mr. Wenceslao Carrera Doral (Cuba, Latin America and the Caribbean) as a member
- Mr. Antonio Navarra (Italy, Western Europe and Others Group) as a member
- Mr. Kevin Adams (United States of America, Annex I) as an alternate member
- Mr. Ahmadou Sebory Toure (Guinea, Non-Annex I) as an alternate member
- Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States) as a member
- Ms. Angelique Pouponneau (Seychelles, Small Island Developing States) as an alternate member

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

- Ms. Patience Dampney (Ghana, Africa)
- Mr. Washington Zhakata (Zimbabwe, Africa)
- Ms. Fatou Ndeye Gaye (The Gambia, Africa)
- Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe)
- Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States)

Agenda item 5: Report on the activities of the outgoing Chair

17. The outgoing Chair presented the report on the activities he had undertaken on the Board's behalf during the intersessional period between the Board's thirty-seventh and thirty-eighth meetings (AFB/B.38/Inf.5).

18. The Board took note of the report on the activities of the outgoing Chair as set out in information document AFB/B.38/Inf.5.

Agenda item 6: Report on activities of the secretariat

19. The Manager of the secretariat presented the report on the activities of the secretariat (AFB/B.38/3), highlighting the activities associated with the Glasgow Climate Change Conference, the launch of the development of the medium-term strategy for 2023–2027 and the review of a large number of project proposals.

20. Members welcomed the report and applauded the achievements of the secretariat during the intersessional period, notably in connection with the Glasgow conference. One member noted the substantial progress made since the early years of the Fund, in terms of the evolving concept of adaptation and growth in available resources, and suggested that the time had come to review the secretariat's structure and ensure that it had the resources needed to perform the tasks required, as a matter of guaranteeing the Fund lives up to its reputation.

21. Responding, the Manager of the secretariat acknowledged that the secretariat was relatively small in both absolute and relative terms and recalled that the EFC, at its twenty-ninth meeting, had endorsed the secretariat's proposal to add five new full-time positions, representing an increase of over 30 percent in full-time personnel. He also noted that in addition to its full-time staff the secretariat used short-term consultants assigned to specific tasks. While the secretariat was looking forward to having more staff, its growth had to be carefully managed, with the right people added to the team. The administrative processes of the World Bank also meant that adding new staff took some time.

22. Addressing other comments, the Manager of the secretariat agreed that it was important for the secretariat to participate in the technical expert dialogues under the ad hoc work programme on the new collective quantified goal on climate finance but explained that it had been difficult for the secretariat to attend the first such dialogue, held in late March, owing to the need to prepare for the current Board meeting. The secretariat intended to participate in future dialogues, however, as well as in the meetings of the subsidiary bodies at the Bonn Climate Change Conference in June. It also regularly participated in meetings of the Green Climate Fund (GCF) board. Turning to a question regarding the availability of readiness activities for countries that did not yet have a national implementing entity, he confirmed that the secretariat had appropriate outreach activities, including workshops and training courses that, among other things, were designed to enhance and deepen an understanding of the Adaptation Fund accreditation process.

23. The Adaptation Fund Board took note of the report on the activities of the secretariat as set out in document AFB/B.38/3.

Agenda item 7: Report of the Accreditation Panel

24. The representative of the secretariat presented the report of the Panel's thirty-seventh meeting (AFB/B.38/4/Rev.1). She highlighted the fact that 134 of the 151 country parties to the Kyoto Protocol had appointed designated authorities, which was a necessary prerequisite for them to apply for accreditation by the Fund. Thirty-four of those eligible countries had already completed the accreditation process and thus had a national implementing entity (NIE). The Fund had also accredited eight regional implementing entities (RIEs) and 14 multilateral implementing entities (MIEs), for a total of 56 accredited implementing entities. Thirty-three of the accredited entities, including 17 NIEs, had already been successfully reaccredited.

25. During the ensuing discussion, one member, noting the relatively small number of NIEs, observed that countries without an NIE would be obliged to rely on the regional and multilateral implementing entities. He voiced concern that fragile and conflict-affected countries would be disadvantaged by such entities, who would naturally give preference to situations of relative peace, and he encouraged the secretariat to pursue its targeted support for NIE accreditation. Several other members echoed his comments. Suggestions of ways to support accreditation included further alignment with the GCF accreditation process and the introduction of project-based accreditation. One member pointed out that the decision to raise the country cap had provided an incentive for accreditation, as well as for reaccreditation by countries that had already reached their limit for funding under the old country cap.

26. Responding to the comments, the representative of the secretariat stressed that supporting direct access through the establishment of NIEs was a core activity for the Fund. Substantial work that had been done through the readiness programme to support countries in appointing their designated authorities, which ensured that 100 countries that did not yet have an NIE were currently in a position to pursue accreditation by the Fund. The secretariat maintained an active line of communication to ensure that countries had a good understanding of the various avenues for accessing Fund resources. It had also established operational linkages with the GCF that permitted fast-track reaccreditation by the Fund, and was currently in discussion with the GCF secretariat to provide entities accredited by the Adaptation Fund with access to fast-track reaccreditation by the GCF. The possibility of offering project-based accreditation was not something that had been considered by the Board as of yet.

27. Turning to a question on reaccreditation delays and their potential to affect the accreditation pipeline, the representative of the secretariat characterized the reaccreditation procedures as highly effective and well-functioning, with clear measures in place for dealing with delays. Furthermore, the secretariat worked with the Accreditation Panel to ensure an ongoing conversation with applicants with a view to avoiding delays, which had proved effective to date.

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

29. Having considered the recommendation of the Accreditation Panel, the Adaptation Fund Board took note of the report of the thirty-seventh meeting of the Accreditation Panel as set out in document AFB/B.38/4/Rev.1.

30. Having considered the recommendation of the Accreditation Panel and following the fast-track accreditation process approved by Decision B.32/1, the Adaptation Fund Board decided to

accredit the Caribbean Community Climate Change Centre (CCCCC) as a Regional Implementing Entity of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 7 April 2027.

(Decision B.38/3)

31. Having considered documents AFB/B.38/4/Add.1, AFB/B.38/4/Add.2/Rev.1 and AFB/B.38/4/Add.3, the Adaptation Fund Board (the Board) decided:

- (a) To postpone its consideration of the reaccreditation applications of the implementing entities that have failed or refused to submit the top-level management statement (TLMS) required for accreditation and reaccreditation until its thirty-ninth meeting;
- (b) To establish a task force to provide additional input to the secretariat on the nine options for addressing the TLMS-related matters outlined in document AFB/B.35.b/4/Add.1, taking into account the information set out in the documents;
- (c) To elect the following as members of the task force, to serve until the thirty-ninth meeting of the Board, to perform the task described in subparagraph (b), above:
 - (i) Mr. Kevin Adams (United States of America, Annex I Parties);
 - (ii) Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States);
 - (iii) Mr. Mattias Bachmann (Switzerland, Western European and Others Group);
 - (iv) Mr. Idy Niang (Senegal, Africa);
- (d) To request the task force and the secretariat to report to the Board at its thirty-ninth meeting on the work described in subparagraphs (a) and (b), above.

(Decision B.38/4)

Agenda item 8: Report of twenty-ninth meeting of the Project and Programme Review Committee

32. Ms. Susana Castro-Acuña Baixauli (Spain, Western Europe and Others), Vice-Chair of the PPRC, presented the report of the PPRC (AFB/PPRC.29/49).

33. Mr. Kevin Adams (United States of America, Annex I Parties), citing the policy of the United States of America not to support development projects in countries that had not adequately addressed the trafficking of persons and the Nicaragua Human Rights Anticorruption Act of 2018 passed by the United States Congress, said that he was unable to join the Board decision that would support the PPRC recommendations to approve in the case of one project concept and one fully-developed project proposal.

34. A discussion ensued regarding the role of the Fund and the role of the Board members and alternate members themselves and the capacity in which they served on the Board, as well as other issues. Members observed, among other things, that the Fund addressed the needs of the most vulnerable populations, many of whom were affected by issues of fragility and conflict; that the Board had operated smoothly and collegially for many years and achieved laudable result; that the practice of voting on project in other funds, including GCF, had led to long discussions and the refusal of projects because of members taking national positions; and that Board members should ask themselves whether they were in conflict of interest when they spoke in a national capacity or on instructions from their government.

35. Asked for clarification on the matter, the representative of the secretariat said that paragraph 44 of the rules of procedure of the Board indicated that decisions of the Board should be taken by consensus whenever possible, and that paragraph 47 entitles the Chair to ascertain and declare that a consensus is reached if there is no stated objection to the proposed decision under consideration by a member or alternate acting for a member.

36. Furthermore, she referred to paragraphs 46 and 6 which indicates an alternate can cast a vote only if she/he is acting for a member in the absence of a member or when requested by a member in writing, and stated that Mr. Adams had made his statement in his capacity as an alternate not acting for a member; that his statement did not amount to the stated objection by a member or an alternate acting for a member as per paragraph 47; and that the Board could proceed with decision-making on the proposals in question, with the statement made by Mr. Adams in his capacity as an alternate recorded in the meeting report.

37. On other topics, support was expressed for co-financing but there was also concern that it would entail a move away from financing the full cost of adaptation, which was counter to the Fund's mission and placed additional burden on developing countries. Furthermore, the concept of co-financing was not well defined. There was also the risk that the Fund would be perceived unfavourably if it adopted co-financing, especially if it became a hindrance to projects for concrete measures in the most vulnerable countries.

38. Members also noted that a large number of project proposals had been submitted but few had been approved, a situation that could perhaps be addressed with better readiness support. MIEs and RIEs appeared to be more favoured than NIEs, especially in Africa. Members further suggested that management and implementation fees charged to the countries merited review and that they should not be counted against the country cap.

39. It was noted that the PPRC had spent considerable time discussing the issue of additional staffing to support the project and programme review process. The Manager of the secretariat observed that the budget recommended by the EFC for approval made no provision for additional project review staff but said that the secretariat could prepare a revised budget for the Board's consideration at the current meeting.

40. Responding to a request, the representative of the secretariat agreed to notify the Board when project documents were posted on the website. She also explained that the low level of recommended project approvals at the current meeting could be attributed to the fact that many of the proposals were first-time submissions; it was not unusual for proposals to go through several review cycles before being approved.

41. The Board took note of the report of the PPRC and adopted the decisions below on the matters considered by the PPRC at its twenty-ninth meeting. A summary of the PPRC funding recommendations is presented in annex III to the present report.

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

42. Having considered the recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board decided to include in its work programme for the fiscal year 2023 a provision for the amount of US\$ 60 million, to be provisionally set aside as follows:

(a) Up to US\$ 59 million for the funding for regional project and programme proposals;

(b) Up to US\$ 1 million for the funding of project formulation grant requests for preparing regional project and programme concept or fully developed project documents.

(Decision B.38/5)

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

(i) **Single-country projects and programmes**

a. *Fully developed proposals*

i. *Proposals from national implementing entities: regular proposals*

Niger: Agriculture Climate-Resilient Value Chain Development in Niger (Fully developed project; Banque Agricole du Niger (BAGRI); AF00000299; US\$ 9,982,000)

43. 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 clarification responses provided by the Banque Agricole du Niger (BAGRI) to the request made by the technical review;

(b) To suggest that BAGRI 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:

(v) The proposal should further detail the project activities and specify if some project components include unidentified sub-projects;

(vi) The proposal should provide improved analyses of the project cost-effectiveness and justification of the funding requested based on the full cost of adaptation reasoning;

(vii) The proposal should ensure full compliance with the environmental and social policy and the gender policy of the Fund, including completing a stakeholder consultation, providing a detailed environmental and social risk analysis and management plan, as well as a gender assessment and action plan;

- (viii) The proposal should provide further details on the implementation arrangements;
 - (ix) The proposal should elaborate on a larger set of participants and beneficiaries;
 - (x) The proponent should consider submitting this proposal as a concept note, using the two-step approach, which would enable accessing a project formulation grant to support developing the necessary elements required for a fully developed project proposal, including the items mentioned in subparagraphs (i)–(v), above;
- (c) To request BAGRI to transmit the observations under subparagraph (b) to the Government of Niger.

(Decision B.38/6)

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)

44. 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 clarification responses provided by the National Environment Management Council (NEMC) 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 Environmental and Social Policy and Gender Policy;
 - (ii) The proponent should include gender-disaggregated data and project indicators;
- (c) To request NEMC to transmit the observations under subparagraph (b) to the Government of the United Republic of Tanzania.

(Decision B.38/7)

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)

45. 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 demonstrate how the project will ensure the equitable distribution of benefits to vulnerable communities, households, and individuals;

(ii) The proposal should demonstrate how the consultative process has addressed environmental and social safeguards, monitoring, mitigation, and management;

(iii) The proposal should describe the arrangements (i.e., what framework, method, or process) for stakeholders' views to be heard effectively throughout project implementation, including for environmental and social risks and safeguards;

(iv) The proposal should elaborate in detail and integrate in the results framework, the key aspects of the project that will ensure long-term uninterrupted irrigation and water supply systems (including how arrangements for revenue generation for water users' associations provide for long-term sustainability of these systems);

(v) The proposal should ensure compliance with the Fund's environmental and social policy (ESP) clarifying which of the 15 principles of the ESP were triggered during the screening process, as well as how the risks will be managed through the project monitoring and evaluation plan;

(vi) The proposal should ensure compliance with the Fund's gender policy, by providing a comprehensive gender assessment;

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

(Decision B.38/8)

Zimbabwe: Enhancing Resilience of Communities and Ecosystems in the Face of a Changing Climate in Arid and Semi-Arid Areas of Zimbabwe (Fully developed project; Environmental Management Agency (EMA); AF00000233; US\$ 4,989,000)

46. 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 clarification responses provided by the Environmental Management Agency (EMA) to the request made by the technical review;

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

(i) The proposal should provide further details on the Operations and Maintenance funding mechanism and its sustainability;

- (ii) The proponent should better articulate the climate impacts and proposed co-benefits;
 - (iii) The proposal should clarify activities supporting enabling environment and policy;
- (c) To request EMA to transmit the observations under subparagraph (b) to the Government of Zimbabwe.

(Decision B.38/9)ii. *Proposals from regional implementing entities: regular proposals*

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

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

- (a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the Development Bank of Latin America (CAF) to the request made by the technical review;
- (b) To approve the funding of US\$10,000,000 for the implementation of the project, as requested by CAF;
- (c) To request the secretariat to draft an agreement with CAF as the regional implementing entity for the project.

(Decision B.38/10)iii. *Proposals from multilateral implementing entities: regular proposals*

Central African Republic: Increasing the Adaptation Capacity and Resilience of Rural Communities to Climate Change in the Central African Republic (Fully developed project; International Fund for Agricultural Development (IFAD); AF00000278; US\$ 10,000,000)

48. 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 clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To suggest that IFAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide more details and quantitative estimations of the economic, social and environmental benefits of the project;

- (ii) The proposal should provide more details on the policy priorities related to the project and on the strengthening of the collaboration with research institutions for the selection of the new varieties;
 - (iii) The proponent should provide a more in-depth analysis of the cost-effectiveness of the proposed adaptation measures;
 - (iv) The proposal should include an improved analysis and justification of the environmental and social risks and ensure full compliance with all the requirements under the Environmental and Social Policy of the Fund;
 - (v) The budget and disbursement schedules should be revised to ensure that there are no discrepancies;
- (b) To request IFAD to transmit the observations under subparagraph (b) to the Government of the Central African Republic.

(Decision B.38/11)

Kyrgyzstan: Regional Resilient Pastoral Communities Project - Adapt (Fully developed project; International Fund for Agricultural Development (IFAD); AF00000226; US\$ 9,999,313)

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

- (a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To approve the funding of US\$ 9,999,313 for the implementation of the project, as requested by IFAD;
- (c) To request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Decision B.38/12)

b. Concepts

i. Proposals from national implementing entities: regular proposals

Benin (1): Building Resilience to Climate Change of the Neighbouring Populations of the Classified Forests of Bassila and Penessoulou in the Central Region of Benin (Concept note; Fonds National pour l'Environnement et le Climat (FNEC); AF00000292; US\$ 2,934,545)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Fonds National pour l'Environnement et le Climat (FNEC) to the request made by the technical review;
- (b) To request the secretariat to notify FNEC 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 the details of the activities to be undertaken and their concrete adaptation outcomes and their alignment with the Fund's result framework;
 - (ii) The fully developed project proposal should provide more details on how it aligns with and/or contribute to the implementation of the national plans and strategies;
 - (iii) The fully developed project proposal should provide more in-depth information on gender and on vulnerable groups in the project area and how these were engaged in the consultations;
- (c) To approve the project formulation grant of US\$ 27,000;
- (d) To encourage the Government of Benin to submit, through FNEC, a fully developed project proposal.

(Decision B.38/13)

Benin (2): Project to Strengthen Food Security and Community Resilience to Climate Change in the Communes of Boukombe and Bopa (Concept note; Fonds National pour l'Environnement et le Climat (FNEC); AF00000290; US\$ 3,053,742)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Fonds National pour l'Environnement et le Climat (FNEC) to the request made by the technical review;
- (b) To request the secretariat to notify FNEC 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 include a complete gender assessment and action plan, the results of which should be clearly streamlined within the relevant sections of the proposal;
 - (ii) The fully developed project proposal should include a more in-depth analysis of the cost-effectiveness of the proposed adaptation options based on quantitative data;

- (c) To encourage the Government of Benin to submit, through FNEC, a fully developed project proposal.

(Decision B.38/14)

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)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Fundecooperación para el Desarrollo Sostenible (Fundecooperación) to the request made by the technical review;
- (b) To request the secretariat to notify Fundecooperación 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 details of the benefits for women and indigenous peoples (if present in the project area);
 - (ii) The fully developed project proposal should include an in-depth analysis of the cost effectiveness of the proposed finance instruments;
 - (iii) The fully developed project proposal should present the findings of comprehensive consultations at the local level, considering the interests and concerns of marginalized and vulnerable groups;
- (c) To approve the project formulation grant of US\$ 50,000;
- (d) To request Fundecooperación to transmit the observations under subparagraph (b) to the Government of Costa Rica;
- (e) To encourage the Government of Costa Rica to submit, through Fundecooperación, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/15)

Côte d'Ivoire: Strengthen the Resilience of Smallholder Farmers to the Effects of Climate Change through the Adoption of Proven Innovative Technologies and Practices (Concept note; Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA); AF00000294; US\$ 4,000,000)

53. 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 clarification responses provided by the Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA) to the request made by the technical review;
- (b) To suggest that FIRCA 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 indicate the equitable distribution of benefits to vulnerable households or individuals;
 - (ii) The proposal should explain how it meets the full cost of adaptation reasoning;
 - (iii) The proposal should include an initial gender analysis in compliance with the Fund's Gender Policy;
 - (iv) The proposal should provide a detailed environmental and social risk screening in alignment with the Fund's Environmental and Social Policy;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request FIRCA to transmit the observations under subparagraph (b) to the Government of Côte d'Ivoire.

(Decision B.38/16)

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

54. 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) 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 demonstrate how the proposed activities will address the adverse impacts and risks posed by climate change;
 - (ii) The proposal should state in a logical manner how the project will comply with each relevant national technical standard identified;

- (iii) The proposal should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the country;
 - (iv) The proposal should include evidence that a dedicated initial consultative process took place with key stakeholders, and that its findings informed the project design;
 - (v) The proposal should describe the arrangements through which the project activities will be sustained after its end;
- (c) To not approve the project formulation grant of US\$ 50,000;
 - (d) To request CASM to transmit the observations under subparagraph (b) to the Government of Honduras.

(Decision B.38/17)

Peru: Building a Program for Adaptation and Resilience to Climate Change of Andean Local Communities and Ecosystems in Peru (Concept note; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); AF00000296; US\$ 5,465,145)

55. 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 clarification responses provided by the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request made by the technical review;
- (b) To suggest that PROFONANPE reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide more details regarding project beneficiaries, including population size of the communities;
 - (ii) The proponents should carry out a consultative process involving all key stakeholders, vulnerable and minority groups, including gender considerations;
 - (iii) The proposal should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the country;
- (c) To request PROFONANPE to transmit the observations under subparagraph (b) to the Government of Peru.

(Decision B.38/18)

Uganda: 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)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Ministry of Water and Environment (MoWE) to the request made by the technical review;
- (b) To request the secretariat to notify MoWE of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should provide a complete gender assessment and action plan and show how their results are integrated in defining the project activities;
 - (ii) The fully developed project proposal should further elaborate on the financial sustainability and demonstrate that Catchment Management Organizations have adequate long-term funding, effective institutional arrangements, and oversight after the project ends;
- (c) To approve the project formulation grant of US\$ 45,000;
- (d) To encourage the Government of Uganda to submit, through MoWE, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/19)

ii. *Proposals from regional implementing entities: regular proposals*

Argentina: Strengthening Community Resilience of Rural Populations in the Drylands of Northwestern Argentina Facing Climate Change, Improving Access to Water and the Implementation of Sustainable Land Management Practices (Concept note; Development Bank of Latin America (CAF) AF00000291; US\$ 10,000,000)

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

- (a) To not endorse the concept note as supplemented by the clarification responses provided by the Development Bank of Latin America (CAF) to the request made by the technical review;
- (b) To suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should carry out a consultation process with stakeholders, also reflecting gender considerations. A report should be provided as an annex and the project document should indicate how the consultation outcomes have been integrated in the project design;

- (ii) The proponent should include more details regarding its financial sustainability, including which local organizations will manage the proposed revolving fund;
- (c) To request CAF to transmit the observations under subparagraph (b) to the Government of Argentina.

(Decision B.38/20)

Papua New Guinea: Adaptation of Small-Scale Agriculture for Improved Food Security of Resilient Communities in Papua New Guinea (Concept note; The Pacific Community (SPC); AF00000298; US\$ 9,908,461)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Pacific Community (SPC) to the request made by the technical review;
- (b) To request the secretariat to notify SPC of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) Project level indicators and budget distributions to outputs level will be further refined at the fully developed project proposal stage following further consultations and analysis;
 - (ii) The fully developed project proposal should have an in-depth cost-effectiveness analysis with quantitative data comparing the selected adaptation options with alternative adaptation options to the same climate challenges in the same context;
 - (iii) The fully developed project proposal should further elaborate on the programme on afforestation with a view to ensure ecological resilience;
 - (iv) The fully developed project proposal should address the resilience of the proposed infrastructure;
 - (v) The fully developed project proposal should elaborate on the knowledge management component;
- (c) To encourage the Government of Papua New Guinea to submit, through SPC, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/21)

iii. *Proposals from multilateral implementing entities: regular proposals*

Cabo Verde: Increasing the Resilience of Local Communities to Climate Change through Improved Watershed Management and Land Restoration (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000293; US\$ 9,998,228)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- (b) To request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should provide a detailed cost estimation of farm-level infrastructure and further clarify the community-based model for their operation and maintenance;
 - (ii) The fully developed project proposal should amend the execution cost to or below 9.5 per cent;
 - (iii) The proponent should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the country;
- (c) To request FAO to transmit the observations under subparagraph (b) to the Government Cabo Verde;
- (d) To encourage the Government of Cabo Verde to submit, through FAO, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/22)

Lao People's Democratic Republic: Enhancing Adaptive Capacity in Lao PDR Provinces, and Building Resilient Housing in Vulnerable Communities (Concept note; United Nations Human Settlements Programme (UN-Habitat); AF00000295; US\$ 6,811,474)

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

- (a) To not endorse the concept note, as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should revise the process of allocating project benefits to align with the principle of equitable access to benefits set forth in the Fund's Environmental and Social Policy;

- (ii) The proposal should describe how operations and maintenance costs of the proposed evacuations centres and meteorological and hydrological stations will be sustained beyond the end of the project;
 - (iii) The proposal should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the country;
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Lao People's Democratic Republic.

(Decision B.38/23)

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

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- (b) To request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should provide a detailed environmental and social risk screening to be carried out within the community consultations;
 - (ii) The fully developed project proposal should include a full gender assessment;
 - (iii) The fully developed project proposal should define the incentives to guide the transfer of assets;
- (c) To request FAO to transmit the observations under subparagraph (b) to the Government of Nicaragua;
- (d) To encourage the Government of Nicaragua to submit, through FAO, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/24)

Philippines: Harnessing the Water-Energy-Food Nexus to Address and Adapt to Climate Change Impacts in Tawi-Tawi (Concept note; United Nations Industrial Development Organization (UNIDO); AF00000297; US\$ 5,463,643)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the United Nations Industrial Development Organization (UNIDO) 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 fully developed project proposal should demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy and place more emphasis on the participation of women in decision-making and direct management of resources of this project;
 - (ii) The fully developed project proposal should reconfirm specific targets for the concrete investments, based on the findings of the feasibility study;
 - (iii) The proponent should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the country;
- (c) To request UNIDO to transmit the observations under subparagraph (b) to the Government of Philippines;
- (d) To encourage the Government of Philippines to submit, through UNIDO, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/25)

Sri Lanka: Build Resilience to Climate Change and Climate Variability of Vulnerable Communities in Mullaitivu District of Sri Lanka (Concept note; United Nations Human Settlements Programme (UN-Habitat); AF00000279; US\$ 2,000,000)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To request the secretariat to notify 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 identify all the adaptation options and the precise locations where these will be undertaken;
 - (ii) The fully developed project proposal should adjust the proposal's alignment with the Fund's Strategic Results Framework;
 - (iii) The proponent should further demonstrate the cost-effectiveness of the adaptation measures also from a sustainability point of view;

(c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Sri Lanka;

(d) To encourage the Government of Sri Lanka to submit, through UN-Habitat, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/26)

Zambia: Climate Change Adaptation through Rural Finance (Concept note; International Fund for Agricultural Development (IFAD); AF00000280; US\$ 10,000,000)

64. 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 clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;

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

(i) The proposal should clearly demonstrate how it supports concrete, cost-effective and sustainable adaptation actions with tangible outputs, and clear social, economic and environmental benefits;

(ii) The proponent should provide more details and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;

(iii) The proponent should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the country;

(c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Zambia.

(Decision B.38/27)

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

(i) **Fully developed proposals**

a. *Proposals from regional implementing entities*

Belize, Guatemala, Honduras: Use of Nature-based Solutions to Increase Resilience to Extreme Climate Events in the Atlantic Region of Central America (Fully developed project; Central American Bank for Economic Integration (CABEI); AF00000281; US\$ 13,248,121)

65. 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 clarification responses provided by the Central American Bank for Economic Integration (CABEI) to the request made by the technical review;
- (b) To suggest that CABEI reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide detailed information of the consultation undertaken at community level in each participating country and on how it will empower communities, including women and youth, during implementation;
 - (ii) The proposal should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the region and better inform its knowledge management strategy and sharing of lessons learned and best practices;
 - (iii) The proposal should include a set of criteria and cost/benefit analysis to support the investment of other actors, including the private sector, in restoration measures;
 - (iv) The proposal should ensure full compliance with the Fund's Environmental and Social Policy and Gender Policy, including a comprehensive gender action plan, a more elaborate Grievance Redress Mechanism and clear provisions for the implementation and monitoring of the Environmental and Social Management Plan;
- (c) To request CABEI to transmit the observations under subparagraph (b) to the Governments of Belize, Guatemala, and Honduras.

(Decision B.38/28)

b. Proposals from multilateral implementing entities

Antigua and Barbuda, Saint Lucia: Increasing the Resilience of the Education System to Climate Change Impacts in the Eastern Caribbean (Fully developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000192; US\$ 13,996,500)

66. 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 clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should strengthen the value added of a regional approach;
 - (ii) The proponent should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the region;
 - (iii) The proposal should strengthen the cost-effectiveness analysis by providing different scenarios and a rationale for the proposed solutions;
 - (iv) The proponents should provide a full gender assessment;
- (d) To request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Antigua and Barbuda and Saint Lucia.

(Decision B.38/29)

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

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

- (a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- (b) To approve the funding of US\$ 14,000,000 for the implementation of the project, as requested by FAO;
- (c) To request the secretariat to draft an agreement with FAO as the multilateral implementing entity for the project.

(Decision B.38/30)

Côte d'Ivoire, Ghana: Improved Resilience of Coastal Communities in Côte d'Ivoire and Ghana (Fully developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000121; US\$ 13,986,990)

68. 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 clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should focus its activities on climate change adaptation, whilst avoiding the risk of maladaptation;
 - (ii) The proposal should demonstrate its regional relevance and added value;
 - (iii) The proponent should demonstrate its alignment with the Fund's Environmental and Social Policy and Gender Policy;
 - (iv) The proponent should revise the project execution arrangements and administrative costs;
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Côte d'Ivoire and Ghana.

(Decision B.38/31)

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

(i) Concepts

Peru: Fund for Innovative Solutions in Adaptation in Peru (Concept note; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); AF00000283; US\$ 5,000,000)

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

- (a) To not endorse the enhanced direct access (EDA) concept note, as supplemented by the clarification responses provided by the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the requests made by the technical review;
- (b) To request the secretariat to notify PROFONANPE of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide a cost-effectiveness analysis, including quantitative estimates of the cost differentiation between the chosen activities and those of alternatives that were considered;
 - (ii) The 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 proposal should link expected project outcomes to the adaptation objectives of the EDA model and approach, and clearly articulate how outcomes will be achieved regardless of co-finance leveraged from other sources is realized;
 - (iv) The proposal should link expected project outcomes to the adaptation objectives of the EDA model and approach, and clearly articulate how outcomes will be achieved regardless of co-finance leveraged from other sources is realized;

- (v) An initial gender assessment that determines the different needs, capabilities, roles and knowledge resources of women, youth and other vulnerable groups, and how changing gender dynamics might drive lasting change within the targeted beneficiaries of the EDA mechanism, should be submitted;
- (c) To request PROFONANPE to transmit the observations under subparagraph (b) to the Government of Peru.

(Decision B.38/32)

United Republic of Tanzania: Building Rural-Urban Climate Change Adaptation Nexus for Sustained Local Economies Development in Tanzania (Concept note; National Environment Management Council (NEMC); AF00000284; US\$ 4,951,245)

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

- (a) To not endorse the enhanced direct access concept note, as supplemented by the clarification responses provided by the National Environment Management Council (NEMC) to the requests 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 proposal should clarify on the arrangements for technical assistance to local project stakeholders and how it will benefit the intended beneficiaries;
 - (ii) The proposal should provide more clarification on a gender assessment that describes how the project will address the different needs, capabilities, roles and knowledge resources of women and men;
 - (iii) The proposal should clarify on how the requested funds are not going to duplicate funds from other existing projects;
 - (iv) The proposal should revise the risk screening table such that focus is on the risk of negative impacts, and provide detailed information and justifications on the assumptions in the risk assessment;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request NEMC to transmit the observations under subparagraph (b) to the Government of the United Republic of Tanzania.

(Decision B.38/33)

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

(i) **Fully developed project/programme proposals**

a. *Proposal from a national implementing entity*

Bangladesh: Access to Safe Drinking Water for the Climate Vulnerable People in Coastal Areas of Bangladesh (Fully developed proposal; Palli Karma-Sahayak Foundation (PKSF); AF00000285; US\$ 5,000,000)

71. 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 large innovation project proposal as supplemented by the clarification responses provided by Palli Karma-Sahayak Foundation (PKSF) to the requests made by the technical review;

(b) To suggest that PKSF 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 clarify the participatory approach for management of reverse osmosis (RO) systems, clarify the pricing system and the costs to local committees for longer term operation and maintenance;

(ii) The proposal should clarify if the target beneficiaries of the selected three coastal districts are different from the those under the previous pilot projects and how they are different in terms of their structure, culture, water usage, water management;

(iii) The proposal should clarify how the RO systems are sustainable, cost-effective, inclusive and follow appropriate technical standards;

(iv) The proposal should clarify how knowledge and learning are integrated into the project design, and further describe the planned knowledge hubs for capture and dissemination of knowledge;

(v) The proposal should provide an estimate of the maintenance cost of systems to be installed;

(c) To request PKSF to transmit the observations under subparagraph (b) to the Government of Bangladesh.

(Decision B.38/34)

(ii) Concepts*a. Proposal from a multilateral implementing entity*

Egypt: Building Resilience in the Old Lands by Combining Innovations in Irrigation, Agriculture, and Livelihood Activities (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000286; US\$ 4,873,400)

72. 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 concept note, as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the requests 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 include a scenario analysis of investment return, calculated per measure to prove the eligibility of individual and suite-of-measures in pro-poor context;
 - (ii) The fully developed project proposal should identify a mitigation plan and adaptive management measures to address the risk of innovation uptake and failure;
 - (iii) The fully developed project proposal should clarify cost estimates for operation and maintenance of concrete solutions;
- (c) To request FAO to transmit the observations under subparagraph (b) to the Government of Egypt;
- (d) To encourage the Government of Egypt to submit, through FAO, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.38/35)

(iii) Pre-concepts*a. Proposal from a multilateral implementing entity*

Republic of The Gambia, United Republic of Tanzania: Enhancing Hydromet Services through Regional Monitoring Innovation Hubs in Africa (Pre-concept note; World Meteorological Organization (WMO); AF00000288; US\$ 5,000,000)

73. 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 clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;

- (b) To request the secretariat to notify WMO 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 include a justification for the involvement of the UK Centre for Ecology and Hydrology (UKCEH) as an executing entity, as well as highlight the unique strengths and positioning of UKCEH for executing the project in the target region;
 - (ii) The concept note should submit a comprehensive mapping of ongoing and planned activities identifying synergies, seeking collaboration with regional and national institutions in the region and ensuring non-duplication;
 - (iii) The concept note should describe collaborations in both countries with existing incubators and accelerators established across different sectors that could provide useful linkages with the planned hydrometry innovation hubs;
 - (iv) The concept note should describe the selection criteria for proposed innovation calls and clarify if they will be completely developed at the full proposal stage, or if there will be further development and refined as the project progresses during implementation;
 - (v) At the concept note stage, the proposal should describe the innovative solutions that will be leveraged under the project that have already been through proof-of-concept testing but need further assistance to tailor them to the needs of hydromet services or help operational services transition to the new technology in West and East Africa;
 - (vi) At the concept note stage sustainability considerations should be described from environmental, social, institutional, economic and financial perspectives;
- (c) To request WMO to transmit the observations under subparagraph (b) to the Governments of the Republic of The Gambia and United Republic of Tanzania;
- (d) To encourage the Governments of the Republic of The Gambia and the United Republic of Tanzania to submit through WMO, a concept note that would also address the observations under subparagraph (b), above.

(Decision B.38/36)

(f) Review of innovation small grant proposals

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)

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

- (a) To approve the innovation small grant, as supplemented by the clarification responses provided by the Ministry of Water and Environment (MoWE) 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 MoWE;
- (c) Request the secretariat to draft an agreement with MoWE as the national implementing entity for the project.

(Decision B.38/37)

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

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

- (a) To approve the updated application form for readiness package grants as presented in Annex I of document AFB/PPRC.29/40;
- (b) To approve the updated review template for readiness package grants as presented in Annex II of document AFB/PPRC.29/40;
- (c) To request the Adaptation Fund Board Secretariat to make available on the Fund website, the updated review templates and application form mentioned in subparagraphs (a) and (b), above;
- (d) To request the Adaptation Fund Board Secretariat to notify all accredited national implementing entities of the amended and new application form and review templates for readiness package grants above.

(Decision B.38/38)

(h) *Funding provisions for regional projects and programmes and for enhanced direct access projects for fiscal year 2023*

76. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided to include in its work programme for fiscal year 2023 a provision in the amount of US\$ 20.2 million, to be provisionally set aside as follows:

- (a) Up to US\$ 20 million for the funding of enhanced direct access projects;
- (b) Up to US\$ 200,000 for the funding of project formulation and project formulation grant requests for preparing enhanced direct access fully developed project documents.

(Decision B.38/39)

(i) *Full cost of adaptation reasoning*

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

- (a) To request the secretariat to develop, through a consultative process, guidance on optional co-financing based on the current interpretation of the full cost of adaptation, which, inter alia:
 - (i) Defines the scope and parameters for Adaptation Fund co-financing;
 - (ii) Identifies the suite of financial instruments that can be utilized;
 - (iii) Outlines pathways to address potential risks;
- (b) To present the draft guidance for the consideration of the PPRC at its thirty-first meeting.

(Decision B.38/40)

(j) *Analysis of the issues related to the use of unidentified subprojects*

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

- (a) To request the secretariat to prepare a document containing updated guidance on unidentified sub-projects (USPs), including further elaborated criteria on the use of USPs in a project/programme and to present it for consideration by the PPRC at its thirtieth meeting;
- (b) To encourage implementing entities to consult with the secretariat on matters related to USPs during project/programme formulation.

(Decision B.38/41)

(k) Clarification of regional implementation and execution costs

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

- (a) To set the upper limit for administrative costs of regional projects/programmes, at 10 per cent of the project/programme cost for implementing entity (IE) fees and at 10 per cent of the project/programme cost for execution costs;
- (b) To request IEs, in the exceptional cases where an IE provides part or all of the execution services:
 - (i) To provide justifications to demonstrate its advantages compared to other entities, agencies or organizations that could provide the selected execution services, particularly for the execution of activities at national or subnational level;
 - (ii) To limit the execution costs of the IE to 1.5 per cent of the cost of the part of the project or programme executed by the implementing entity of the project/programme cost;
 - (iii) Where the actual execution costs of the IE exceed the 1.5 per cent cap, to require the IE to provide justification as part of its proposal submission if requesting costs beyond the cap on an exceptional case-by-case basis.

(Decision B.38/42)

(l) Report on indicators for innovation

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

- (a) To approve the revised outcome 8 of the Strategic Results Framework (SRF), as laid out in table 3 of document AFB/PPRC.29/44 on a pilot basis, as well as the guidance to implementing entities for application of innovation indicators in projects/programmes described in the same document;
- (b) To request the secretariat to propose amendments to the SRF, project performance reports and other relevant documents following the pilot phase for application of innovation indicators to the Project and Programme Review Committee.

(Decision B.38/43)

(m) Options for further supporting the work of the Project and Programme Review Committee

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

(a) To defer consideration of document AFB/PPRC.29/48 by the Project and Programme Review Committee until after further discussion of staffing of the secretariat project review team by the Board;

(b) To request the secretariat to prepare an updated document, to be considered intersessionally, as needed, taking into account the outcome of the discussion in the subparagraph (a), above.

(Decision B.38/44)

Agenda item 9: Report of twenty-ninth meeting of the Ethics and Finance Committee

82. Mr. Mattias Broman (Sweden, West European and Others Group), Chair of the EFC, presented the report of the EFC (AFB/EFC.29/8).

83. The Manager of the secretariat then presented an amended version of the budget for the Board and secretariat that provided for two new positions in the programming area, one a relatively junior staff position (programme analyst) and the other a senior consultant position. The new positions were proposed in response to comments during the twenty-ninth meeting of the PPRC and at the current meeting of the Board.

84. Members reiterated their support for adding for programme and project review capacity given the already high workload and the expected increase in the number of project submissions in the wake of the Glasgow Climate Change Conference.

85. During the discussion, the Manager also addressed a question regarding assigned amount units (AAUs), explaining that in addition to the certified emission reductions (CERs), the Fund had been supposed to receive two other types of units: AAUs and emission reduction units (ERUs). AAUs and ERUs were associated with the Kyoto Protocol and were separate from the units that would eventually be issued under the mechanism established by article 6.4 of the Paris Agreement. Owing to the postponed entry into force of the second commitment period of the Kyoto Protocol, AAUs and ERUs had only begun to flow in late 2020, at which time the Fund had received its first 1.2 million AAUs. The trustee had no previous experience of monetizing AAUs and was still looking into the matter.

86. The Board took note of the report of the EFC and the additional information provided by the Manager of the secretariat and adopted the decisions below on matters considered by the EFC at its twenty-ninth meeting.

a) Financial issues

Work plan of the Board and secretariat for fiscal year 2023

87. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board decided to approve the secretariat's proposed work plan for fiscal year 2023, as set out in annex I to document AFB/EFC.29/4.

(Decision B.38/45)

Administrative budget of the Board and secretariat and the trustee for fiscal year 2023, and of the AF-TERG and its secretariat for fiscal years 2023–2024

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

89. Having considered the recommendation of the Ethics and Finance Committee and taking into consideration its subsequent discussions and the information set out in document AFB/EFC.29/5/Rev.1, the Adaptation Fund Board (the Board) decided:

(a) To approve, from the resources available in the Adaptation Fund Trust Fund:

(Board and secretariat)

(i) The proposed budget of US\$ 8,212,848 to cover the costs of the operations of the Board and secretariat for the period from 1 July 2022 to 30 June 2023, comprising US\$ 6,897,098 for Board and secretariat administrative services (the main secretariat budget), US\$ 567,050 for accreditation services and US\$ 748,700 for the readiness programme;

(Technical Evaluation Reference Group of the Adaptation Fund and secretariat)

(ii) The proposed revised budget of US\$ 1,329,965 to cover the costs of the operations of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) and its secretariat for fiscal year 2023, covering the period from 1 July 2022 to 30 June 2023, comprising US\$ 691,496 for the management component and US\$ 638,469 for the evaluation component (the resulting increase of US\$ 36,916 over the originally approved AF-TERG budget for fiscal year 2023 consisted of a carry-over of US\$ 60,000 from fiscal year 2022 and a net decrease of US\$ 23,084 for fiscal year 2023 that required an additional transfer from the trust fund);

(iii) The proposed budget of US\$ 1,336,413 to cover the costs of the operations of the AF-TERG and its secretariat for fiscal year 2024, covering the period from 1 July 2023 to 30 June 2024, comprising US\$ 705,684 for the management component and US\$ 630,729 for the evaluation component;

(Trustee)

(iv) The proposed increase of US\$ 6,000 in the trustee budget for fiscal year 2022;

(v) The proposed budget of US\$ 878,500 for the trustee services to be provided to the Adaptation Fund during fiscal year 2023;

(b) To authorize the trustee to transfer the amounts in subparagraphs (a) (i), (ii) and (iii) to the respective secretariats, and the amounts in subparagraphs (a) (iv) and (v) to the trustee.

(Decision B.38/46)

Fiscal Years 2023 – 2024 Update to the Work Programme of the Adaptation Fund Technical Evaluation Reference Group (AF-TERG)

90. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board decided to approve the updated work programme of the Adaptation Fund Technical Evaluation Reference Group for fiscal years 2023–2024 as set out in document AFB/EFC.29/7.

(Decision B.38/47)

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

Draft evaluation policy of the Adaptation Fund

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

(a) To approve the draft evaluation policy of the Adaptation Fund (the Fund) set out in annex 1 to document AFB/EFC.29/6/Rev.1, as amended by the Board, as the Fund's evaluation policy, which shall not prejudice the Board's future consideration of the budget implications of the implementation of the evaluation policy;

(b) To request the Adaptation Fund Technical Evaluation Reference Group (AF-TERG) to work in consultation with the secretariat to introduce the Fund's evaluation policy to the Fund's stakeholders;

(c) To request the AF-TERG to develop, in consultation with the secretariat, evaluation guidance documents for the implementation of the Fund's evaluation policy, including budget implications, and to submit them to the EFC for consideration at its thirty-first meeting.

(Decision B.38/48)

Agenda item 10: Medium-term strategy of the Fund for the period 2023–2027

92. The Manager of the secretariat presented document AFB/B.38/5, Elements and options for the Fund's Medium-term Strategy 2023–2027, which contained the outcomes of inclusive stakeholder consultations, three options for the Board's consideration and six strategic level principles and related elements that emerged during the stakeholder consultations.

93. In the discussion that followed, members welcomed the six principles described in the document. General support was expressed for the recommended option 2, although members asked for clarifications on how it differed significantly from option 1, also suggesting the possibility of a middle course between options 1 and 2. Option 3 was generally acknowledged to be too radical; the

other two options would enable the Fund to enhance its activities sufficiently, maintain its strong niche, remain nimble and retain its unique governance structure. Whatever changes were made, no one should be left behind once new elements such as biodiversity, ecosystem services, the most recent findings on climate and better links with researchers were included. It was important to keep the focus on vulnerable groups, who should be seen as agents for change and not just as beneficiaries of the Fund.

94. In response to queries about the process of revising the medium-term strategy, the Manager of the secretariat said that there had been no agreement to incorporate co-financing, as that was still under discussion in the PPRC. The strategy would be updated once those discussions were concluded. Once the strategy was adopted, the next step would be to develop an implementation plan and an updated strategic results framework. He also explained the innovation task force had been of the view that higher risks could be accepted in smaller projects but that risks should be considered comprehensively, not only in relation to innovation.

95. Having considered the information contained in document AFB/B.38/5 on options and elements for the medium-term strategy 2023–2027, the Adaptation Fund Board (the Board) decided:

(a) To elect Mr. Ali Daud Mohamed (Somalia, Africa), Ms. Sohee Gwag (Republic of Korea, Asia-Pacific), Ms. Joanna Milwicz vel Delach (Poland, Eastern Europe), Ms. Maia Tskhvaradze (Georgia, Eastern Europe), Mr. Marc-Antoine Martin (France, Annex I Parties), and Ms. Angelique Pouponneau (Seychelles, Small Island Developing States) as members of the task force referred to in decision B.37/38, on the second medium-term strategy of the Adaptation Fund (the Fund), covering the period 2023–2027 (MTS 2023–2027);

(b) To request the secretariat, under the guidance of the task force referred to in subparagraph (a), above:

(i) To prepare a draft MTS 2023–2027 that builds on the strategic framework and achievements of the MTS 2018–2022 and further enhances it by proposing strategic updates and adjustments aimed at consolidating the Fund's comparative advantage and optimizing its impact (in line with option 2, as set out in document AFB/B.38/5), and reflecting the views expressed by the Board at its thirty-eighth meeting;

(ii) To undertake further stakeholder consultations on the draft MTS 2023–2027;

(iii) To present the draft MTS 2023–2027 for consideration by the Board at its thirty-ninth meeting.

(Decision B.38/49)

Agenda item 11: Draft resource mobilization strategy and action plan for the period 2022–2025

96. The Manager of the secretariat introduced draft resource mobilization strategy and action plan for the period 2022–2025 (AFB/B.38/6) and its annexes. Owing to the lack of time for discussion of the document, he proposed that the members and alternates submit their comments intersessionally and that the Board defer consideration of the matter to its thirty-ninth meeting.

97. Having considered documents AFB/B.38/6 and annex I thereto, AFB/B.38/6/Add.1. and annex I thereto and AFB/B.38/6/Add.2, the Adaptation Fund Board (the Board) decided to request the secretariat:

(a) To conduct a survey of the Board during the intersessional period (B.38-B.39), with a view to receiving input on the draft resource mobilization strategy set out in document AFB/B.38/6/Add.1 and the draft resource mobilization action plan set out in document AFB/B.38/6/Add.2;

(b) To update the draft resource mobilization strategy and the draft resource mobilization action plan to reflect the input provided by the Board through the intersessional survey referred to in subparagraph (a), above, for the Board's consideration at its thirty-ninth meeting.

(Decision B.38/50)

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*

98. Owing to a lack of time, the Board agreed to defer consideration of the sub-item to its thirty-ninth meeting.

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

99. Owing to a lack of time, the Board agreed to defer consideration of the sub-item to its thirty-ninth meeting.

Agenda item 13: Issues arising from sixteenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol, the third session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change

100. Introducing the item, the Manager of the secretariat recalled that the Glasgow climate change conference had resulted in a number of decisions relevant to the Fund. The main decisions, including the requests made of the Board, were described in document AFB/B.38/10, and the resulting proposed amendments to the strategic priorities, policies and guidelines (SPPG) of the Adaptation Fund and the operational policy and guidelines for parties to access resources from the Adaptation Fund (OPG) were set out in documents AFB/B.38/10/Add.1 and Add.2, respectively. He then presented the information in document AFB/B.38/10, following which another representative of the secretariat went through the various proposed amendments as indicated in the two addenda to the document.

101. A discussion ensued on whether to consider and decide on the proposed amendments at the current meeting or, given the limited time available at the current meeting, defer their consideration

until a future meeting. Several members made suggestions for additional changes to the SPPG and OPG.

102. Responding to the comments, the representative of the secretariat noted that deferring the consideration of the matter to a future meeting would facilitate the incorporation of additional amendments, including those proposed at the current meeting. In addition, addressing a question raised by a member regarding planning for a smooth transition to the Paris Agreement to avoid potential operational issues, she assured the Board that the secretariat was consulting with the trustee and the team at the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) on the matter and would keep the Board apprised of ongoing developments.

103. Having considered decisions 3/CMP.16 and 13/CMA.3 and documents AFB/B.38/10, AFB/B.38/10/Add.1 and AFB/B.38/10/Add.2, the Adaptation Fund Board (the Board) decided to request the secretariat:

(a) To conduct a survey of Board members during the intersessional period, with a view to receiving input on the proposed amendments to the Strategic Priorities, Policies and Guidelines of the Fund adopted by the CMP (SPPG) and the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG), respectively, as set out in documents AFB/B.38/10/Add.1 and AFB/B.38/10/Add.2;

(b) To prepare a document setting out the proposed amendments to SPPG and the OPG, respectively, reflecting the Board's discussions at its thirty-eighth meeting and the input received from the Board through the intersessional survey referred to in subparagraph (a), above, for the Board's consideration at its thirty-ninth meeting.

(Decision B.38/51)

Agenda item 14: Knowledge management, communications and outreach

104. Owing to a lack of time, the Board agreed to defer consideration of the agenda item to its thirty-ninth meeting.

Agenda item 15: Dialogue with civil society organizations

105. 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 V to the present report.

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

Agenda item 16: Date and venue of meetings in 2012 and onward

107. The Manager of the secretariat recalled that at its thirty-sixth meeting, the Board had decided to hold its thirty-ninth meeting in Bonn, Germany, from 10 to 14 October 2022. The secretariat proposed the weeks of 14 March or 21 March 2023 for the Board's fortieth meeting and 10 October

or 17 October 2023 for the forty-first meeting. There did not appear to be any major holidays or other key events during those weeks and the usual venue in Bonn, Germany, was available.

108. Responding to a question regarding possible conflicts with other key climate meetings, the Manager said that the Global Environment Facility did not tend to hold its meetings in March or October and the secretariat did not yet have information on the dates of the 2023 meetings of the GCF board or the Standing Committee on Finance.

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

- (a) To hold its thirty-ninth meeting from 11–14 October 2022;
- (b) To hold its fortieth meeting from 21–24 March 2023;
- (c) To hold its forty-first meeting from 10–13 October 2023;
- (d) To request secretariat to explore the feasibility of holding the board meeting in the host country for the United Nations Climate Change Conference and other countries, to enable the Board to further consider the matter during intersessional period (B.38–B.39) or at its thirty-ninth meeting;
- (e) To hold its thirty-ninth meeting in Bonn if it is not feasible to hold the meeting in the country hosting for the United Nations Climate Change Conference.

(Decision B.38/52)

Agenda item 17: Implementation of the code of conduct

110. 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 an issue to raise. No issues were raised.

Agenda item 18: Other matters

Diversification of meeting venues

111. Introducing the matter, the Chair explained that diversification of the venues of Board meetings had been proposed for discussion primarily in view of the possibilities of holding Board meetings in developing countries where projects were being implemented and elsewhere in the developing world, to enable the Board to experience the countries where they were allocating Fund resources, the Fund to reach different stakeholders and increase its visibility, and developing countries to capitalize on Fund resources and funding.

112. Members were generally supportive of the proposal, agreeing that such meetings would provide the Board more exposure to the countries where the Fund worked and could possibly be linked to project visits. It was noted that the GCF board commonly met in different locations, leading to the suggestion that the potential for holding joint outreach and capacity-building activities with GCF could also be explored, with a view to supporting capacity-building outreach, helping workshops

in developing countries reach a maximum audience and increasing the Fund's visibility. Members nevertheless asked for clarifications regarding the financial and procedural implications of holding meetings elsewhere than Bonn; one recalled that GCF had faced conflict of interest issues when the projects of the host countries had been discussed in such situations.

113. Responding to the comments and questions, the Manager of the secretariat explained that the rules of procedure provided for the Board to meet at least twice every year or as frequently as necessary to discharge its business, in the country that was the seat of the UNFCCC secretariat, or in countries hosting meetings of the Conference of the Parties to the UNFCCC or of its subsidiary bodies when in conjunction with those meetings. The Board had met twice outside Bonn: once in Cancun, Mexico, and once in Durban, South Africa, in both bases back-to-back with meetings of the Conference of the Parties. As clarification, he added that the virtual and hybrid Board meeting were considered to have taken place in Bonn.

114. A representative of the secretariat added that any Board decision to amend the rules of procedure so that the Board could meet elsewhere would need to be ratified by the Conference of the Parties serving as the meeting of the parties to the Kyoto Protocol. She also informed the Board that under German law, members and alternates of the Board enjoyed immunity from legal processes with respect to the words spoken or written and all acts performed in their official capacity while the immunity continued after termination of their business. Holding Board meetings outside of Germany would require a new legal arrangement with a hosting country to provide for such immunity. The secretariat had little experience with that but could consult with the UNFCCC secretariat on the matter.

115. The Chair acknowledged the support for the proposal and suggested that the secretariat explore the possibility of holding a Board meeting in Egypt, the developing country that was hosting the twenty-seventh meeting of the Conference of the Parties to the UNFCCC and related meetings.

Agenda item 19: Adoption of the report

116. The present report was adopted by the Board intersessionally following its thirty-eighth meeting.

Agenda item 20: Closure of the meeting

117. Following the customary exchange of courtesies, the Chair declared the meeting closed at 6.45 p.m. (Central European Time, UTC+1) on 8 April 2022.

ANNEX I

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

MEMBERS		
Name	Country	Constituency
Mr. Washington Zhakata	Zimbabwe	Africa
Ms. Patience Dampsey	Ghana	Africa
Ms. Sohee Gwag	Republic of Korea	Asia-Pacific
Mr. Ahmed Waheed	Maldives	Asia-Pacific
Mr. Albara Tawfiq	Saudi Arabia	Asia-Pacific
Ms. Ala Druta	Republic of Moldova	Eastern Europe
Ms. Joanna Milwicz vel Delach	Poland	Eastern Europe
Ms. Margarita Caso Chávez	Mexico	Latin America and the Caribbean
Mr. Michai Robertson	Antigua and Barbuda	Small Island Developing States
Mr. Idy Niang	Senegal	Least Developed Countries
Mr. Antonio Navarra	Italy	Western Europe and Others
Mr. Marc-Antoine Martin	France	Annex I Parties
Mr. Ali Waqas Malik	Pakistan	Non-Annex I Parties
Mr. Lucas di Pietro	Argentina	Non-Annex I Parties

ALTERNATES		
Name	Country	Constituency
Mr. Ali Mohammed	Somalia	Africa
Ms. Fatou Ndeye Gaye	Republic of The Gambia	Africa
Ms. Sheyda Nematollahi Sarvestani	Islamic Republic of Iran	Asia-Pacific
Mr. Albara Tawfiq	Saudi Arabia	Asia-Pacific
Mr. Aram Ter-Zakaryan	Armenia	Eastern Europe
Ms. Maia Tskhvaradze	Georgia	Eastern Europe
Mr. Victor Viñas	Dominican Republic	Latin America and the Caribbean
Ms. Mariana Kasprzyk	Uruguay	Latin America and the Caribbean
Ms. Angelique Pouponneau	Seychelles	Small Island Developing States
Mr. Tshering Tashi	Bhutan	Least Developed Countries
Ms. Susana Castro-Acuña Baixauli	Spain	Western Europe and Others
Mr. Mattias Broman	Sweden	Western Europe and Others
Mr. Kevin Adams	United States of America	Annex I Parties
Mr. Matthias Bachmann	Switzerland	Annex I Parties
Ms. Naima Oumoussa	Morocco	Non-Annex I Parties
Mr. Ahmadou Sebory Toure	Guinea	Non-Annex I Parties

ANNEX II**Adopted agenda of the thirty-eighth meeting of the Adaptation Fund Board**

1. Opening of the meeting.
2. Board membership and election of outstanding officers.
 - a) Board membership;
 - b) Election of outstanding officers.
3. Transition of Chair and Vice-Chair.
4. Organizational matters:
 - c) Adoption of the agenda;
 - d) Organization of work.
5. Report on activities of the outgoing Chair.
6. Report on activities of the secretariat.
7. Report of the Accreditation Panel.
8. Report of the twenty-ninth 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 large innovation project proposals;
 - d) Report of the secretariat on initial screening/technical review of innovation small grant project proposals;
 - e) Report of the secretariat on the intersessional review cycle for readiness grants;
 - f) Request for project major change;
 - g) Funding provisions for regional projects and programmes and for enhanced direct access projects for fiscal year 2023;
 - h) Full cost of adaptation reasoning;
 - i) Analysis of the issues related to the use of unidentified sub-projects;

- j) Clarification of regional implementation and execution costs;
 - k) Report on indicators of innovation;
 - l) Options for further supporting the work of the PPRC.
9. Report of the twenty-ninth meeting of the Ethics and Finance Committee on:
 - a) Financial issues;
 - b) Report of the Chair of the Technical Evaluation Reference Group;
 - c) Evaluation policy.
 10. Medium-term strategy of the Fund for the period 2023–2027.
 11. Draft resource mobilization strategy and action plan for the period 2022–2024.
 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.
 13. Issues arising from sixteenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 16), the third session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 3) and the twenty-sixth session of the Conference of the Parties (COP 26).
 14. Knowledge management, communications and outreach.
 15. Dialogue with civil society organizations.
 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

AFB38: SUMMARY OF FUNDING DECISIONS FOR PROJECTS AND PROGRAMMES AT THE THIRTY-EIGHTH MEETING OF THE ADAPTATION FUND BOARD

1. Full Proposals: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Niger	BAGRI	AFB/PPRC.29/4	9,982,000			<i>Not approve</i>	0
	Tanzania (United Republic of) (1)	NEMC	AFB/PPRC.29/5	2,500,000			<i>Not approve</i>	0
	Tanzania (United Republic of) (2)	NEMC	AFB/PPRC.29/6	4,000,086			<i>Not approve</i>	0
	Zimbabwe	EMA	AFB/PPRC.29/7	4,989,000			<i>Not approve</i>	0
RIE								
	Trinidad and Tobago	CAF	AFB/PPRC.29/8		10,000,000		Approve	10,000,000
MIE								
	Central African Republic	IFAD	AFB/PPRC.29/9			10,000,000	<i>Not approve</i>	0
	Kyrgyzstan	IFAD	AFB/PPRC.29/10			9,999,313	Approve	9,999,313
Sub-total, USD				21,471,086	10,000,000	19,999,313		19,999,313
2. Concepts: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Benin (1)	FNEC	AFB/PPRC.29/11	2,934,545			Endorse	-
	Benin (2)	FNEC	AFB/PPRC.29/12	3,053,742			Endorse	-
	Costa Rica	Fundecooperación	AFB/PPRC.29/13	10,000,000			Endorse	-
	Côte d'Ivoire	FIRCA	AFB/PPRC.29/14	4,000,000			<i>Not Endorse</i>	-
	Honduras	CASM	AFB/PPRC.29/15	4,000,000			<i>Not Endorse</i>	-
	Peru	PROFONANPE	AFB/PPRC.29/16	5,465,145			<i>Not Endorse</i>	-
	Uganda	MoWE	AFB/PPRC.29/17	9,504,600			Endorse	-
RIE								
	Argentina	CAF	AFB/PPRC.29/18		10,000,000		<i>Not Endorse</i>	-
	Papua New Guinea	SPC	AFB/PPRC.29/19		9,908,461		Endorse	-

MIE								
	Cabo Verde	FAO	AFB/PPRC.29/20			9,998,228	Endorse	-
	LAO (People's Democratic Republic)	UN-Habitat	AFB/PPRC.29/21			6,811,474	Not Endorse	-
	Nicaragua	FAO	AFB/PPRC.29/22			10,000,000	Endorse	-
	Philippines	UNIDO	AFB/PPRC.29/23			5,463,643	Endorse	-
	Sri Lanka	UN-Habitat	AFB/PPRC.29/24			2,000,000	Endorse	-
	Zambia	IFAD	AFB/PPRC.29/25			10,000,000	Not Endorse	-
Sub-total, USD				38,958,032	19,908,461	44,273,345		-
3. Project Formulation Grant (PFG): Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Benin (1)	FNEC	AFB/PPRC.29/11/Add.1	27,000			Approve	27,000
	Costa Rica	Fundecooperación	AFB/PPRC.29/13/Add.1	50,000			Approve	50,000
	Côte d'Ivoire	FIRCA	AFB/PPRC.29/14/Add.1	50,000			Not approve	0
	Honduras	CASM	AFB/PPRC.29/15/Add.1	50,000			Not approve	0
	Uganda	MoWE	AFB/PPRC.29/17/Add.1	45,000			Approve	45,000
Sub-total, USD				222,000	-	-		122,000

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								
	Belize, Guatemala, Honduras	CABEI	AFB/PPRC.29/26		13,248,121		Not approve	0
MIE								
	Antigua and Barbuda, Saint Lucia	UN-Habitat	AFB/PPRC.29/27			13,996,500	Not approve	0
	Chad, Sudan	FAO	AFB/PPRC.29/28			14,000,000	Approve	14,000,000
	Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.29/29			13,986,990	Not approve	0
Sub-total, USD				-	13,248,121	41,983,490		14,000,000
GRAND TOTAL (1+2+3+4)				60,651,118	43,156,582	106,256,148		34,121,313

5. Concepts: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Peru	PROFONANPE	AFB/PPRC.29/31		5,000,000		<i>Not endorse</i>	-
	Tanzania (United Republic of)	NEMC	AFB/PPRC.29/32		4,951,245		<i>Not endorse</i>	-
Sub-total, USD				-	9,951,245	-		-
6. Project Formulation Grant (PFG): Enhanced Direct Access	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Tanzania (United Republic of)	NEMC	AFB/PPRC.29/32/Add.1		50,000		<i>Not approve</i>	0
Sub-total, USD				-	50,000	-		-
GRAND TOTAL (5+6)				-	10,001,245	-		-

7. Full Proposals 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								
	Bangladesh	PKSF	AFB/PPRC.29/34	5,000,000			<i>Not approve</i>	0
Sub-total, USD				5,000,000	-	-		-
8. Concepts 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
MIE								
	Egypt	FAO	AFB/PPRC.29/36			4,873,400	Endorse	-
Sub-total, USD				-	-	4,873,400		-

9. 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								
	Gambia (Republic of The), Tanzania (United Republic of)	WMO	AFB/PPRC.29/37			5,000,000	Endorse	-
Sub-total, USD				-	-	5,000,000		-
10. Innovation Small Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Uganda	MoWE	AFB/PPRC.29/39	250,000			Approve	250,000
Sub-total, USD				250,000	-	-		250,000
GRAND TOTAL (7+8+9+10)				5,250,000	-	9,873,400		250,000
GRAND TOTAL (1+2+3+4+5+6+7+8+9+10)				65,901,118	53,157,827	116,129,548		34,371,313

ANNEX IV

APPROVED FY22 AND FY23 BUDGET OF THE BOARD AND SECRETARIAT, AND THE TRUSTEE, AND APPROVED FY22, FY23 AND FY24 BUDGETS OF THE AF-TERG AND ITS SECRETARIAT

All amounts in US\$	FY22	FY22	FY23	
	Approved	Estimate	Proposed	
BOARD AND SECRETARIAT				
1 Personnel	4,111,220	3,439,865	5,475,648	
2 Travel	456,000	187,000	456,000	
3 General operations	508,875	489,000	728,050	
4 Meetings	236,980	176,000	237,400	
Sub-total secretariat administrative services [a]	5,313,075	4,291,865	6,897,098	
5 Accreditation [b]	608,550	491,000	567,050	
6 Readiness Programme [c]	756,950	272,329	748,700	
Total Board and Secretariat [a] + [b] + [c]	6,678,575	5,055,194	8,212,848	
All amounts in US\$	FY22	FY22	FY23	FY24
	Revised Approved	Estimate	Proposed revised	Proposed
AF-TERG AND ITS SECRETARIAT				
1 Personnel	408,083	447,142	457,552	466,396
2 Travel	134,702	10,924	108,744	112,006
3 General operations	136,327	120,441	115,000	116,879
4 Meetings	10,000	-	10,200	10,404
Sub-total management	689,112	578,507	691,496	705,684
5 Evaluation	611,717	446,739	638,469	630,729
Total AF-TERG and its secretariat	1,300,829	1,025,246	1,329,965	1,336,413
All amounts in US\$	FY22	FY22	FY23	
	Approved	Estimate	Proposed	
TRUSTEE				
1 Monetization	180,000	165,000	180,000	
2 Financial and Program Management	320,000	320,000	320,000	
3 Investment Management	245,000	268,000	256,500	
4 Accounting and Reporting	60,000	58,000	58,000	
5 Legal Services	56,000	56,000	64,000	
Total trustee	861,000	867,000	878,500	
GRAND TOTAL ALL COMPONENTS	8,840,404	6,947,440	10,421,313	

ANNEX V**DIALOGUE WITH CIVIL SOCIETY, 7 APRIL 2022, BONN, GERMANY (HYBRID MEETING)**

1. The 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.
2. Mr. Emmanuel Seck, Enda Energie, Senegal, reviewed the structure of the Adaptation Fund NGO Network, which had grown to 250 members, mostly from the Global South. It was led by a group of 11 members but its structure was being formalized in broad consultation with stakeholders, among them civil society organizations working in climate finance. He presented the recent findings on climate change and said that further delaying action would mean missing the opportunity to secure a liveable and sustainable future for humanity and the planet and result in severe, irreversible and adverse impacts limiting the capacity for adaptation and threatening human rights. The permanent impacts on human and natural systems would include rising sea levels, the inundation of small islands and coastal areas and the loss of coastal ecosystems, livelihoods, food security and lives. The conditions for implementing, accelerating and sustaining adaptation in human and ecosystems needed to change, which required enhanced mobilization of and access to financial resources; capacity-building to removed barriers to accessing finance; informed consent; a rights-based approach to adaptation; the inclusion of local and indigenous knowledge; the enabling of climate resilient development; inclusive choices that prioritized risk reduction; equity and justice in the decision-making processes; and finance that was integrated across government, sectors and timeframes. The Board should also do more encourage and strengthen accreditation of national implementing entities. He recommended that the Board consider appointing active observers from civil society, as was done in other funds, with a minimum of two or three such members being from developing countries and financial support provided for them and the other civil society participants in the Board's dialogue with civil society. An accreditation process should be instituted for that purpose.
3. Ms. Olha Boiko, Ecoaction, Ukraine, reported on the conditions in Eastern Europe and Central Asia, areas that were highly vulnerable to climate change. While the countries were older, their constitutional structures were recent and the regimes were still developing. They also shared low institutional capacity, low civil society participation and a propensity to conflict within the region. Despite that similarity there were differences, with Eastern Europe more focused on mitigation and Central Asia and the Caucuses focused on adaptation. The region also straddled the Global North and the Global South, fitting into neither one easily. It was important, however, to fit the region into the overall global agenda and understand the connections that existed between those countries and the rest of the world. Only 10 projects had been implemented in the region over the life of the Adaptation Fund and only one NIE had been accredited. There was room for more cooperation with the countries of the region. Due to the war in Ukraine, the countries of Central Asia and the Caucasus were becoming even more vulnerable and losing capacity for adaptation. Developing countries that had been cut off from grain shipments from the Ukraine were also under threat. Her group's objective was to empower civil society to have a voice at the international level. In her view, the power of civil society in her region had not yet been unleashed but had the potential to connect institutions such as the Adaptation Fund with national institutions and to ensure transparency and accountability. Strong civil society was a guarantee of more democratic government.

4. The alternate member from Georgia, supported by the alternate member from the United States of America, deplored the invasion of Ukraine by the Russian Federation in an ongoing war that had lasted almost two months. She said that while some might consider it inappropriate to raise the issue at a technical climate meeting, it had to be acknowledged that the war had societal and humanitarian costs that also affected humanity's ability to address climate change. She expressed her grave concern at the attacks of the civilian population of the Ukraine and the large number of casualties that had been sustained. The operations by the Russian Federation on the sovereign territory of the Ukraine were on a scale that had not been seen in Europe in decades; they were a clear violation of international law and urgent action was needed to save a generation from the scourge of war.

5. In response to several questions about the role of civil society, Mr. Seck said that while there was no mechanism to select experts from civil society organizations he advocated a system such as that used by the Green Climate Fund, where the observers were selected evenly between the North and the South and were able to comment on all the items on the agenda of the meeting. With respect to the accreditation of national implementing entities, he urged the Board to ensure that the requirements were not burdensome; to build their capacity it might be necessary to relax some of the Board's requirements. He gave the example of methods used in his own country to ensure broader participation in the selection of national implementing entities. He also explained the operation of the Network hubs, which acted as steering committees to facilitate the Network's strategies and ensure the coordination of activities beyond adaptation.

6. Ms. Boiko said that Eastern Europe prioritized mitigation measures such as renewable energy, but also focused on the protection and conservation of forests, wetlands, coastlines, natural parks and other areas, as well as the development of nature-based solutions for cities and local areas. Eastern Europe and Central Asia shared the desire to protect water for energy, water use and agriculture and to use it sustainably. Local language requirements meant that it was often essential to work with local civil society when implementing projects.

7. In response to questions about loss and damage and the mandate of the Adaptation Fund, Mr. Seck said that loss and damage could be addressed through the Fund's innovation window although it had already been addressed in previous Fund projects; at a previous dialogue he had reviewed some of those cases. Given increasing climate disasters, loss and damage needed increasing attention in order to address adaptation: it would become one of the issues that the Fund needed to focus on. The secretariat should review the already approved and implemented proposals to get a better idea of how loss and damage had been dealt with previously. He also said that the Fund had the prerogative to take decisions to allow the participation of civil society, which was important as it was involved locally, often conducted local workshops, and provided information on the projects that gave a better picture of what was really happening with vulnerable populations.

8. Ms. Boiko thanked the members for their support for the Ukraine. It was important to support civil society, she said, especially in her region, where it was weak, but by working through the Network and together with the Adaptation Fund they would become stronger.

9. The Chair thanked the civil society organization representatives for their presentations and recommendations and recalled that the Board would be discussing the participation of civil society in the work of the Board under agenda item 12 (b).