



## ADAPTATION FUND

AFB/B.39/15  
23 December 2022

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Adaptation Fund Board  
Thirty-ninth meeting  
Bonn, Germany, 13–14 October 2022

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

#### Introduction

1. The thirty-ninth meeting of the Adaptation Fund Board (the Board) was held in person in Bonn, Germany, on 13 and 14 October 2022, back-to-back with the thirtieth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC), on 11 and 12 October 2022.
2. The list of the members and alternate members who participated in the meeting is attached as annex I. A list of accredited observers present at the meeting can be found in document AFB/B.39/Inf.3.

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

3. The meeting was opened at 9.20 a.m. on 13 October 2022 by the Chair, Mr. Albara E. Tawfiq (Saudi-Arabia, Asia and Pacific).

#### Agenda item 2: Organizational matters

##### *a) Adoption of the agenda*

4. The Board adopted the provisional agenda set out in document AFB/B.39/1/Rev.1 as the agenda for the thirty-ninth meeting (see annex II).
5. In adopting the agenda, the Board agreed to consider the assessment of the Fund's carbon footprint under agenda item 17, "Other matters".

##### *b) Organization of work*

6. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.39/2) and adopted the organization of work proposed by the Chair.
7. The Chair welcomed newly elected member Ms. Ursula Fuentes-Hutfilter (Germany, Western Europe and Others) as a member replacing Ms. Mirjam Büdenbender, congratulated her and noted

that she would be required to sign the written oath of service, as mandated by the rules of procedure of the Board.

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

- Mr. Ahmed Waheed (Maldives, Asia-Pacific);
- Ms. Maia Tskhvaradze (Georgia, Eastern Europe);
- Mr. Tshering Tashi (Bhutan, Least Developed Countries);
- Mr. Ahmadou Seborny Touré (Guinea, Non-Annex I Parties);
- Mr. Washington Zhakata (Zimbabwe, Africa).

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

9. The Chair presented the report on the activities he had undertaken on the Board's behalf during the intersessional period between the Board's thirty-eighth and thirty-ninth meetings (AFB/B.39/Inf.5).

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

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

11. The Manager of the secretariat presented the report on the activities undertaken by the secretariat since the thirty-eighth meeting of the Board (AFB/B.39/3).

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

### **Agenda item 5: Accreditation-related matters**

#### *a) Report of the accreditation panel*

13. The Chair of the Accreditation Panel (the Panel) presented the report of the Panel's thirty-eighth meeting (AFB/B.39/4). He reported that the Fund had 57 accredited Implementing Entities (IEs), 34 of which were national implementing entities (NIEs), 9 regional implementing entities (RIEs) and 14 multilateral implementing entities (MIEs). In terms of the geographic coverage of the NIEs and RIEs, 16 were in Latin America and the Caribbean, 15 in Africa, 11 in Asia and the Pacific and 1 in Eastern Europe. Ten NIEs were in least developed countries and seven were in small island developing States. During the intersessional period between its thirty-eighth and thirty-ninth meetings, the Board had approved the reaccreditation of one NIE, Fundación Natura of Panama, bringing the number of IEs reaccredited by the Fund to 34, consisting of 18 NIEs, 5 RIEs and 11 MIEs.

14. No recommendations for new accreditations had been formulated during the period since the Board's thirty-eight meeting.

15. A representative of the secretariat then briefed the Board on accreditation-related matters not directly discussed by the Panel at its thirty-eight meeting. She reported that at the annual NIE seminar in late September, a number of IEs had drawn attention to difficulties they were facing in their reaccreditation process owing to the circumstances surrounding the coronavirus disease (COVID-19) pandemic, and had asked for an extension of the deadline for achieving reaccreditation. While the Board, in decision B.35.b/16, had decided to temporarily approve a blanket no-cost extension of up to 12 months in the completion date for eligible projects and programmes experiencing delays owing to COVID-19, it had not provided for measures in connection with

reaccreditation. The secretariat, with the support of the Chair and Vice-Chair of the Panel, was therefore recommending that the Board temporarily approve a blanket six-month extension of the deadline for achieving reaccreditation, for all IEs whose status had been “in reaccreditation process” between March 2020 and 1 July 2022.

16. The Board then went into a closed session to continue its consideration of the report of the accreditation panel.

17. Following the closed session, on the recommendation of the secretariat, the Adaptation Fund Board decided:

- (a) To take note of the report of the thirty-eighth meeting of the Accreditation Panel contained in document AFB/B.39/4, which included the report on the secretariat’s receipt of requests from applicant implementing entities concerning the delays in the reaccreditation process due to the coronavirus disease pandemic;
- (b) To temporarily approve a blanket extension of the deadline for achieving re-accreditation of up to six months, for all implementing entities with “in reaccreditation process” status between 1 March 2020 and 1 July 2022 whose reaccreditation process had been delayed by the pandemic;
- (c) To request the secretariat to convey the present decision to all applicant implementing entities in the reaccreditation process.

**(Decision B.39/1)**

*b) Report of the task force on the matters related to the top-level management statement*

18. The Board considered the report of the task force on the matters related to the top-level management statement during its closed session on accreditation-related matters.

19. Following the closed session, having considered documents AFB/B.39/13 and AFB/B.39/13/Add.1, the Adaptation Fund Board decided:

- (a) To take note of the information contained in documents AFB/B.39/13 and AFB/B.39/13/Add.1;
- (b) To welcome the application of the template for the top-level management statement (TLMS) to be submitted by implementing entities for accreditation and reaccreditation with the Adaptation Fund as endorsed by the task force established by decision B.38/3 and contained in annex I of document AFB/B.39/13;
- (c) To request the secretariat to communicate the present decision and the TLMS template to the applicant implementing entities and to report on the status of the TLMS implementation to the Board at its fortieth meeting.

**(Decision B.39/2)**

### **Agenda item 6: Report of the thirtieth meeting of the Project and Programme Review Committee**

20. Ms. Fatou Ndeye Gaye (The Gambia, Africa), Chair of the PPRC, presented the report of the PPRC (AFB/PPRC.30/56). The summary of funding decisions for projects and programmes at the Thirty-eighth meeting of the Adaptation Fund Board is set out in annex III to the present report.

21. The Board took note of the report of the PPRC and adopted decisions on the matters considered by the PPRC at its thirtieth meeting as indicated in the subsections below.

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

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

- (a) To allow to admit the resubmission of letters of endorsement for a project or programme that is signed by the Designated Authority on file with the Adaptation Fund, excluding cases where there was a change in participant countries, target areas or institutional arrangements, thereby superseding Decision B.32/7;
- (b) To request the Implementing Entities to consistently copy the Designated Authority when submitting proposals to the Adaptation Fund Board Secretariat;
- (c) To request the secretariat:
  - (i) To produce separate guidance templates for the concept note and fully developed project/programmes proposal stages and make them available on the Adaptation Fund website;
  - (ii) To communicate the decision in paragraph (b) above to the implementing entities;
  - (iii) To consider the existing policies on implementation fees and execution costs for all financing windows, including on their use, and propose adjustments with a view to simplifying and harmonizing them, and present a recommendation on the matter to the Project and Programme Review Committee at its thirty-second meeting.

**(Decision B.39/3)**

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

**(i) Fully developed proposals**

*a. Proposals from National Implementing Entities (NIEs): Regular proposals*

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

23. 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 Bhutan Trust Fund for Environmental Conservation (BT FEC) to the request made by the technical review;
- (b) To approve the funding of US\$ 9,998,955 for the implementation of the project, as requested by BT FEC;
- (c) To request the secretariat to draft an agreement with BT FEC as the national implementing entity for the project.

**(Decision B.39/4)**

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

24. 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 Ministry of Water and Environment (MoWE) to the request made by the technical review;
- (b) To suggest that MoWE reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should fully identify the project activities and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;
  - (ii) The proponent should demonstrate the climate change adaptation relevance and concreteness of the proposed activities;
- (c) To request MoWE to transmit the observations under subparagraph (b) to the Government of Uganda.

**(Decision B.39/5)**

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

25. 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 Ministry of Water and Environment (MoWE) to the request made by the technical review;
- (b) To approve the funding of US\$ 9,504,600 for the implementation of the project, as requested by MoWE;
- (c) To request the secretariat to draft an agreement with MoWE as the national implementing entity for the project.

**(Decision B.39/6)**

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)

26. 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 formulate all project activities to the point where adequate risks identification is possible;
- (ii) The proponent should strengthen and clarify the project implementation arrangements;
- (c) To request EMA to transmit the observations under subparagraph (b) to the Government of Zimbabwe.

**(Decision B.39/7)**

*b. Proposals from Multilateral Implementing Entities (MIEs): Regular proposals*

Montenegro: Adaptation to Climate Change and Resilience in the Montenegrin Mountain Areas - Gora (Fully developed project; International Fund for Agricultural Development (IFAD); AF00000300; US\$ 10,000,000)

27. 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 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 include an explanation for the value and potential of agro-ecotourism in Montenegro and its contribution to adaptation and resilience as well as lessons learned from similar practices in the region;
  - (ii) The proponent should clearly articulate the adaptation rationale and project benefits, including adaptation outcomes or results once the project objectives are achieved;
  - (iii) The proponent should include the justification of the basis of full cost of adaptation reasoning;
  - (iv) The proponent should provide an adequate environmental and social risk screening, particularly for those related to the most vulnerable groups such as women, and further elaborate on risk mitigation measures, in line with the Adaptation Fund's gender policy;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Montenegro.

**(Decision B.39/8)**

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

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

- (a) To note the recommendation that the Adaptation Fund Board:
  - (i) 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;
  - (ii) Approve the funding of US\$ 2,000,000 for the implementation of the project, as requested by UN-Habitat;
  - (iii) Request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project;
- (b) To place the project on the waitlist pursuant to Decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

**(Decision B.39/9)**

## **(ii) Concepts**

### *a. Proposals from National Implementing Entities (NIEs): Small-size proposals*

Indonesia (1): Ecosystem-based Adaptation to Support Climate Resilience in Coastal and Small Islands of Rote Ndao and Sabu Raijua Districts in the Savu Sea (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000301; US\$ 999,714.29)

29. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To request the secretariat to notify Kemitraan 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 strengthen the focus on the Ecological Fiscal Transfer scheme as an innovative tool that can be a strategic deliverable of the project;
  - (ii) The fully developed proposal should include more details on how the project will ensure alignment with national strategies, and extract lessons learned from other projects;
  - (iii) The fully developed project proposal should provide additional information regarding the socioeconomic context of communities in the project area;
  - (iv) The fully developed proposal should clarify the beneficiary selection criteria disaggregated by gender and youth;
- (c) To approve the project formulation grant of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia;
- (e) To encourage the Government of Indonesia to submit, through Kemitraan, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/10)**

Indonesia (2): Sustainable Landscape Governance; Towards Climate Resilience of Community in Tempe Lake Ecosystem (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000302; US\$ 993,081)

30. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should strengthen the adaptation reasoning by identifying the adaptation challenges and barriers in the Tempe Lake ecosystem and link these to a limited number of components and concrete associated activities;
  - (ii) The proposal should elaborate on the cost-effectiveness of the proposed project;
  - (iii) The proposal should provide additional information regarding the socioeconomic context of the youth and vulnerable groups in the project area;
  - (iv) The proposal should clarify how the project is integrating the ecological sustainability dimensions of further development and dependence on fishery commodities;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/11)**

Indonesia (3): Adaptation to Climate Change through Integrated Forest Management and Sericulture Business to Achieve Ecosystem Resilience to Food Security for the Lake Tempe Catchment Area Community (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000303; US\$ 996,633)

31. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should strengthen the adaptation rationale of the proposed project components, outputs, and activities;
  - (ii) The proponent should inform how all project components will benefit women, and indigenous peoples in the project area;
  - (iii) The proponent should elaborate on the cost-effectiveness of each project component;



- (iv) The proposal should provide further information on its consultation process;
- (v) The proposal should ensure compliance with the Fund's Environmental and Social Policy (ESP), and Gender Policy (GP);
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/12)**

Indonesia (4): Strengthening the Adaptive Capacity of Coastal Village Communities in Supporting Food Security as a Response to Climate Change through Stakeholder Elaboration Actions in West Sulawesi Province (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000304; US\$ 970,503)

32. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should provide further details on the consultation process in line with the Fund's Environmental and Social Policy and Gender Policy and should include an initial gender analysis;
  - (ii) The proposal should clarify how the project would ensure an equitable distribution of benefits among project beneficiaries;
  - (iii) The proponent should demonstrate the cost-effectiveness of the project;
  - (iv) The proposal should include a list and analysis of projects that could potentially complement or overlap with the proposed project;
  - (v) The proposal should provide a thorough analysis of potential risks 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 Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/13)**

Indonesia (5): Collaboration for the Conservation of Cibandiri Watershed Landscapes through the Potential of Silvopasture and Community Agroforestry (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000305; US\$ 960,225)

33. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;

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

- (i) The proposal should provide more details on the financial sustainability of the proposed activities;
- (ii) The proponent should carry out a comprehensive consultations process with vulnerable and marginalized groups, including women's and youth groups;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/14)**

Indonesia (6): Building Climate Resilient District in Indonesia: Case of Sigi District (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000306; US\$ 998,868)

34. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To request the secretariat to notify Kemitraan of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue;
  - (i) The fully developed project proposal should include a comprehensive consultation process, with particular attention to vulnerable, marginalized, and indigenous groups;
- (c) To approve the project formulation of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia;
- (e) To encourage the Government of Indonesia to submit, through Kemitraan, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/15)**

Indonesia (7): Village Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000307; US\$ 998,738)

35. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should clearly articulate its objective and clarify how the selected measures will help achieving the stated climate adaptation objective and why they are the most cost-effective, vis- à-vis other possible interventions;
- (ii) The proposal should clarify the means of dissemination of the envisaged knowledge management products;
- (iii) The proposal should include an environmental and social risk screening including adequate mitigations provisions for the risks identified, 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 Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/16)**

Indonesia (8): Change Climate and Adaptation in the Buffer Area of the New National Capital (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000308; US\$ 1,000,000)

36. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
  - (i) The proposal should demonstrate how the proposed activities will address the adverse impacts and risks posed by climate change;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/17)**

Indonesia (9): Increasing the Resilience of Smallholders from Climate Impacts through Smart Agriculture Based on Livelihood Diversification in Indonesia (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000309; US\$ 977,939)

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

- (a) To not endorse the concept note as supplemented by the clarification responses provided by Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should demonstrate the climate change adaptation relevance of the proposed activities;

- (ii) The proponent should provide more details and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/18)**

Indonesia (10): Strengthening Community Adaptation toward Climate Change through ProKlim in Ecoregion Neck of Sulawesi Island (Concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000310; US\$ 999,226)

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

- (a) To not endorse the concept note, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision;
- (c) To not approve the project formulation grant of US \$50,000;
- (d) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/19)***b. Proposals from National Implementing Entities (NIEs): Regular proposals*

Mexico (1): Adaptation to Climate Change through Integrated Water Management and Sustainable Practices in Vulnerable Indigenous Communities in Oaxaca and San Luis Potosí, in Mexico (Concept note; Mexican Institute of Water Technology (IMTA); AF00000326; US\$ 1,059,941.30)

39. 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 Mexican Institute of Water Technology (IMTA) to the request made by the technical review;
- (b) To suggest that IMTA reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should include evidence that a dedicated initial consultative process took place with key stakeholders, and that its findings informed the project design;
  - (ii) The concept note should submit a comprehensive mapping of ongoing and planned activities identifying synergies, and ensuring non-duplication;
  - (iii) 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;
  - (iv) The proposal should include an initial gender analysis in compliance with the Fund's Gender Policy;

- (c) To request IMTA to transmit the observations under subparagraph (b) to the Government of Mexico.

**(Decision B.39/20)**

Mexico (2): Restoration of Lake Texcoco through Resilient Actions (Concept note; Mexican Institute of Water Technology (IMTA); AF00000327; US\$ 6,434,050)

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

- (a) To not endorse the concept note, as supplemented by the clarification responses provided by the Mexican Institute of Water Technology (IMTA) to the request made by the technical review;
- (b) To suggest that IMTA reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The proposal should include evidence that an initial consultative process took place with key stakeholders, and that its findings informed the project design;
  - (ii) The proposal should include an initial gender analysis in compliance with the Fund's Gender Policy;
- (c) To not approve the project formulation grant of US \$40,000;
- (d) To request IMTA to transmit the observations under subparagraph (b) to the Government of Mexico.

**(Decision B.39/21)**

Mexico (3): Ha Ta Tukari, "Water our Life": Towards Universal Drinking Water Coverage for 23 Communities of the Wixarika Nation (Concept note; Mexican Institute of Water Technology (IMTA); AF00000328; US\$ 3,255,000)

41. 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 Mexican Institute of Water Technology (IMTA) to the request made by the technical review;
- (b) To suggest that IMTA reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The proposal should include evidence that a dedicated initial consultative process took place with key stakeholders, and that its findings informed the project design;
  - (ii) The proponent should submit a comprehensive mapping of ongoing and planned activities identifying synergies and ensuring non-duplication;
  - (iii) The proposal should identify all relevant national technical standard and state compliance in a logical manner;
  - (iv) The proposal should provide a cost-effectiveness analysis, including quantitative estimates, of the chosen activities vis-à-vis alternative measures;
- (c) To not approve the project formulation grant of US\$ 30,000;

- (d) To request IMTA to transmit the observations under subparagraph (b) to the Government of Mexico.

**(Decision B.39/22)**

Niger: Climate-Resilient Agriculture Chain in Niger (CRAC-Niger) (Concept note; Banque Agricole du Niger (BAGRI); AF00000299; US\$ 10,000,000)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Banque Agricole du Niger (BAGRI) to the request made by the technical review;
- (b) To request the secretariat to notify BAGRI 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 contain more details as appropriate, including on project's modalities to leverage the experiences and lessons learned of the other initiatives;
  - (ii) The fully developed project proposal should further detail the modalities of the concessional loans proposed and demonstrate adherence to the full cost of adaptation principle;
  - (iii) The fully developed project proposal should elaborate on the arrangements through which the project sustainability would be achieved, in particular sustainability and maintenance of the infrastructure or installations to be developed;
- (c) To approve the project formulation grant of US\$ 49,000;
- (d) To request BAGRI to transmit the observations under subparagraph (b) to the Government of Niger;
- (e) To encourage the Government of Niger to submit, through BAGRI, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/23)**

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)

43. 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 alternative options to the proposed measures, or other possible interventions that could have taken place, and quantitative examples from the cited evaluation to allow for a good assessment of the project's cost effectiveness;

- (ii) The proponent should ensure that marginalized and vulnerable groups are consulted, and that a summary of the consultation outcomes is included and reflected in project design;
- (iii) The proposal should elaborate on the possible project risks, impacts and risk avoidance or mitigation mechanisms for each of the 15 principles of the Adaptation Fund's Environmental and Social Policy;
- (c) To request PROFONANPE to transmit the observations under subparagraph (b) to the Government of Peru.

**(Decision B.39/24)**

Tuvalu: Strengthening Adaptation Against Climate Variability through Increasing Clean Water Supply and Sanitation at Motufoua Secondary School (Concept note; Ministry of Finance (MoF); AF00000311; US\$ 2,000,000)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Ministry of Finance (MoF) to the request made by the technical review;
- (b) To request the secretariat to notify the MoF of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully developed project proposal should demonstrate how the project will ensure that the quality of the drinking water meets acceptable standards, which in the absence of national standards could be those of the World Health Organization. For the size of the requested grant, safe drinking water for all students and staff should be the goal;
  - (ii) The fully developed project proposal should demonstrate full compliance with the Fund's Environmental and Social Policy and Gender Policy;
- (c) To approve the project formulation grant of US\$ 50,000;
- (d) To request MoF to transmit the observations under subparagraph (b) to the Government of Tuvalu;
- (e) To encourage the Government of Tuvalu to submit, through MoF, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/25)**

*c. Proposals from Regional Implementing Entities (RIEs): Regular proposals*

Fiji: Strengthening the Adaptive Capacity of Coastal Communities of Fiji to Climate Change through Nature-Based Seawalls (Concept note; The Pacific Community (SPC); AF00000312; US\$ 5,764,000)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by The 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) The fully developed project proposal should inform how the consultation process included gender considerations, and how it informs the project proposal;
- (ii) The fully developed project proposal should explain its alignment to national technical standards;
- (iii) The fully developed project proposal should further assess identified risks related to access and equity, gender equality and women's empowerment, and indigenous peoples;
- (c) To request SPC to transmit the observations under subparagraph (b) to the Government of Fiji;
- (d) To encourage the Government of Fiji to submit, through SPC, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/26)**

*d. Proposals from Multilateral Implementing Entities (MIEs): Regular proposals*

Georgia: Dairy Modernization and Market Access: Adaptive and Climate-Resilient Pasture Management (DiMMAdapt+) (Concept note; International Fund for Agricultural Development (IFAD); AF00000313; US\$9,846,766)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To request the secretariat to notify IFAD of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully developed proposal should improve the formulation of the project goal and objectives;
  - (ii) The fully developed proposal should provide further details on the conflict resolving mechanism proposed under Output 2.1;
  - (iii) The fully developed project proposal should provide disaggregated data on the target beneficiaries, and estimations on the benefits provided to marginalized and vulnerable groups;
  - (iv) The fully developed project proposal should include additional consultations with women's representatives and explain how these were integrated into the project design;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Georgia;
- (d) To encourage the Government of Georgia to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/27)**

Guinea: Climate Change Adaptation of Vulnerable Communities in the Sahel Border Zone of the Republic of Guinea (Concept note; United Nations World Food Programme (WFP); AF00000314; US\$ 10,000,000)



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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the United Nations World Food Programme (WFP) to the request made by the technical review;
- (b) To request the secretariat to notify WFP of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully developed project proposal should present the findings of comprehensive consultations at the local level, considering the interests and concerns of marginalized and vulnerable groups and key stakeholders;
  - (ii) The fully developed proposal should include an elaborated section on the barriers to demonstrate socio-ecological adaptation challenges in the project area;
- (c) To request WFP to transmit the observations under subparagraph (b) to the Government of Guinea;
- (d) To encourage the Government of Guinea to submit, through WFP, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/28)**

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\$ 7,323,750)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To request the secretariat to notify UN-Habitat of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully developed project proposal should ensure that the proposed activities are fully informed by the existing weather and climate services assessments undertaken by the Ministry of Natural Resources and Environment;
  - (ii) The fully developed project proposal should tackle gaps in modelling for prediction as well as model interpretation and forecast production, to ensure a seamless production and dissemination of the proposed climate and weather services;
  - (iii) The fully developed project proposal should describe how the proposed investments will build on the existing early warning system and address its shortfalls;
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Lao People's Democratic Republic;
- (d) To encourage the Government of Lao People's Democratic Republic to submit, through UN-Habitat, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/29)**

Libya: Increasing Resilience to Climate-Aggravated Water Scarcity in the Agriculture Sector in Libya (Concept note; International Fund for Agriculture Development (IFAD); AF00000315; US\$ 9,997,156)

49. 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 Agriculture 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 define the project activities under each project output;
  - (ii) The proponent should further explain the long-term sustainability of the project;
  - (iii) The proposal should provide a justification for the funding requested, particularly concerning Component 1;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Libya.

**(Decision B.39/30)**

Maldives: Opportunities for Conservation and Ecosystem-based Adaptation through Nature-based Solutions (Concept note; United Nations Educational, Scientific, and Cultural Organization (UNESCO); AF00000316; US\$10,000,000)

50. 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 United Nations Educational, Scientific, and Cultural Organization (UNESCO) to the request made by the technical review;
- (b) To suggest that UNESCO reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should be further developed to fully identify the project activities;
  - (ii) The proponent should demonstrate climate change adaptation relevance of the chosen approach and the proposed activities;
- (c) To request UNESCO to transmit the observations under subparagraph (b) to the Government of Maldives.

**(Decision B.39/31)**

Mongolia: Ger Community Resilience Project (GCRP) (Concept Note; United Nations Human Settlements Programme (UN-Habitat); AF00000317; US\$ 7,965,889)

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

- (a) To endorse the project concept, as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the requests made by the technical review;

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

(i) The fully developed project proposal should demonstrate the project alignment with Fund's Strategic Results Framework and Core Impact Indicators;

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

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

**(Decision B.39/32)**

Zambia: Climate Change Adaptation of Livelihoods through Rural Finance (CALRF) (Concept note; International Fund for Agricultural Development (IFAD); AF00000280; 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 International Fund for Agricultural Development (IFAD) to the request made by the technical review;

(b) To request the secretariat to notify IFAD 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 more information on the type of intensification of food crop and pasture production that will be used in each target districts;

(ii) The fully developed project proposal should provide more details on the design of the proposed adaptation options and pathways;

(iii) The fully developed project proposal should further expand on the mechanisms by which the proposed project will ensure synergies with complementary initiatives;

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

(d) To encourage the Government of Zambia to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.39/33)**

## **(b) Review of regional project and programme proposals**

### **(iii) Fully developed proposals**

#### *a. Proposals from Multilateral Implementing Entities (MIEs)*

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)

53. 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 proponent should further elaborate on the complementarities, coherence and synergies with other relevant projects and initiatives in the region;
  - (ii) The proposal should strengthen the cost-effectiveness analysis by providing different scenarios and a rationale for the proposed solutions;
  - (iii) The proposal should further detail the project activities and specify if some project components include unidentified sub-projects;
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Antigua and Barbuda and Saint Lucia.

**(Decision B.39/34)**

El Salvador, Honduras: Strengthening the Adaptive Capacities of Climate-Vulnerable Communities in the Goascorán Watershed of El Salvador and Honduras through Integrated Community-Based Adaptation Practices and Services (Fully developed project; United Nations World Food Programme (WFP); AF00000165; US\$12,048,300)

54. 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 United Nations World Food Programme (WFP) to the request made by the technical review;
- (b) To approve the funding of US\$ \$12,048,300 for the implementation of the project, as requested by WFP;
- (c) To request the secretariat to draft an agreement with WFP as the multilateral implementing entity for the project.

**(Decision B.39/35)**

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

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

- (a) To note the recommendation that the Adaptation Fund Board:
  - (i) Approve the fully developed project proposal, as supplemented by the clarification responses provided by the United Nations World Food Programme (WFP) to the request made by the technical review;
  - (ii) Approve the funding of US\$ 13,995,524 for the implementation of the project, as requested by WFP;
  - (iii) Request the secretariat to draft an agreement with WFP as a multilateral implementing entity for the project;

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

**(Decision B.39/36)**

**(ii) Concepts**

*a. Proposals from Regional Implementing Entities (RIEs)*

Guinea, Mali, Mauritania, Senegal: Strengthening the Resilience of Climate-Vulnerable Communities in the Senegal River Basin Using a Multi-Hazard Early Warning System and Building Adaptive Capacity (Concept note; Sahara and Sahel Observatory (OSS); AF00000253; US\$ 14,000,000)

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

- (a) To not endorse the concept note, as supplemented by the clarification responses provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) To suggest that OSS 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 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;
  - (ii) The proponents should carry out and present the findings of initial consultations at the local level, considering the interests and concerns of marginalized and vulnerable groups;
- (c) To not approve the project formulation grant of US\$ 80,000;
- (d) To request OSS to transmit the observations under subparagraph (b) to the Governments of Guinea, Mali, Mauritania, and Senegal.

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

**(iii) Pre-concepts**

*a. Proposals from Multilateral Implementing Entities (MIEs)*

Fiji, Samoa, Solomon Islands, Vanuatu: Integrating Flood and Drought Management and Early Warning for Climate Change Resilience in the Pacific Islands (Pre-concept note; World Meteorological Organization (WMO); AF00000318; US\$ 13,959,881)

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

- (a) To not endorse the pre-concept note, as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) To suggest that WMO reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The proposal should strengthen the value added of the regional approach;

- (ii) The proposal should review the scope of the proposed vulnerability and risk assessments so that they serve the specific outputs of the project;
- (iii) The proposal should clarify the role of each executing entity and should further demonstrate WMO comparative advantages to provide executing services to the project;
- (c) To not approve the project formulation grant of US\$ 20,000;
- (d) To request WMO to transmit the observations under subparagraph (b) to the Governments of Fiji, Samoa, Solomon Islands, and Vanuatu.

**(Decision B.39/38)**

**(c) Recommendation for projects or programmes placed on the waitlist**

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

- (a) To note the recommendation of the Project and Programme Review Committee to approve the following projects or programmes:
  - (i) Sri Lanka (AFB/PPRC.30/9);
  - (ii) India, Sri Lanka (AFB/PPRC.30/36);
- (b) To add them to the waitlist pursuant to Decision B.12/9 and according to the prioritization criteria established in Decision B.17/19 and clarified in Decision B.19/5 and Decision B35.a-B35.b/46;
- (c) To consider the projects on the waitlist for approval, subject to the availability of funds, at a future Board meeting, or intersessionally, in the order in which they are listed in subparagraph (a) above.

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

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

**(iv) Fully developed proposals**

a. Proposals from National Implementing Entities (NIEs)

Rwanda: Rwanda Sub-National Adaptation Fund EDA (Fully developed proposal; Ministry of Environment (MoE); AF00000270; US\$ 4,998,812)

59. 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 Ministry of Environment (MoE) to the request made by the technical review;
- (b) To approve the funding of US\$ 4,998,812 for the implementation of the project, as requested by MoE;
- (c) To request the secretariat to draft an agreement with MoE as the national implementing entity for the project.

**(Decision B.39/40)****(ii) Concepts***a. Proposals from National Implementing Entities (NIEs)*

Peru: Fund for Innovative Adaptation in Vulnerable Ecosystems in Northern of Peru (Ancash, Cajamarca, La Libertad and San Martin) (Concept note; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); AF00000283; US\$ 5,000,000)

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

- (a) To endorse the enhanced direct access project concept 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 fully developed project 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 to help adapt and build resilience in the same sector, geographic region, and/or community;
  - (ii) The fully developed project proposal should include a consultation report describing comprehensive consultations and stakeholder mapping conducted, with particular attention to vulnerable, marginalized, and minority groups;
  - (iii) The proponent should ensure that gender considerations are met in accordance with the Adaptation Fund's Gender Policy;
- (c) To request PROFONANPE to transmit the observations under subparagraph (b) to the Government of Peru;
- (d) To encourage the Government of Peru to submit through PROFONANPE, a fully developed project proposal, that would also address the observations under subparagraph (b), above.

**(Decision B.39/41)****(e) Review of large innovation project and programme proposals****(iii) Fully developed proposals***a. Proposals from Multilateral Implementing Entities (MIEs)*

Viet Nam: Innovative Financial Incentives for Adaptation in Wetland Livelihoods (IFIA) (Fully developed proposal; International Fund for Agricultural Development (IFAD); AF00000325; US\$5,000,000)

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

- (a) To not approve the fully developed large innovation project proposal as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the requests made by the technical review;
- (b) To suggest that IFAD reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should clarify the innovation rationale, also by providing a stronger justification as to why microfinance products are considered innovative in the context of the region or sector;
  - (ii) The proposal should clearly outline the social, environmental and economic benefits of the project, including the role of microfinance as an important tool for inclusive entrepreneurship;
  - (iii) The proposal should clarify how restoration efforts will be managed and monitored in the long term;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Viet Nam.

**(Decision B.39/42)**

## **(ii) Concepts**

### *a. Proposals from National Implementing Entities (NIEs)*

Chile: Rainfed Farming Communities in Central Chile Develop Resilient Processes to Climate Change with the Implementation of Innovative Technological Strategies Adapted to Improve Food Safety (Concept note; Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID); AF00000319; US\$ 5,000,000)

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

- (a) To not endorse the large innovation project concept note, as supplemented by the clarification responses provided by Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID) to the requests made by the technical review;
- (b) To request the secretariat to notify AGCID 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 the innovation rationale or strengthen the innovation components of the proposed activities and justify why the proposal should be considered under the large innovation project funding window;
  - (ii) The proposal should include a clear description of the target populations, clarifying how the most vulnerable communities and social group would be engaged and empowered, and how they will benefit from the project;
  - (iii) The proposal should clarify how it will advance gender equality in compliance with the Gender Policy of the Fund;
  - (iv) The proposal should clarify how knowledge and learning are embedded throughout with clear activities linked to the concrete adaptation actions;



- (v) The proposal should include the outcomes of the consultations by describing the topics discussed, and how the results of the consultative process are reflected in the project design;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request AGCID to transmit the observations under subparagraph (b) to the Government of Chile.

**(Decision B.39/43)**

*b. Proposals from Multilateral Implementing Entities (MIEs)*

Bhutan: Innovative Adaptation Financing to Build the Resilience and Adaptive Capacity of Smallholder Farmers in Bhutan (InAF-Bhutan) (Concept note; United Nations World Food Programme (WFP); AF00000324; US\$ 4,978,034)

63. 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 United Nations World Food Programme (WFP) to the request made by the technical review;
- (b) To request the secretariat to notify WFP of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully developed proposal should include details of the project direct beneficiaries (disaggregated by gender);
  - (ii) The fully developed proposal should specify the project localities that will benefit from insurance policy;
  - (iii) The fully developed proposal should specify the envisaged engagement between research institutions and local communities;
  - (iv) The fully developed proposal should clarify the knowledge management and learning specific outputs and appropriate targets should be set in the project results framework;
- (c) To request WFP to transmit the observations under subparagraph (b) to the Government of Bhutan;
- (d) To encourage the Government of Bhutan to submit through WFP, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.39/44)**

Kenya, Uganda: Unlocking Investments in Gender and Youth-Inclusive Early-Growth Stage Adaptation Small and Medium-sized Enterprises in Kenya and Uganda (Concept note; United Nations Industrial Development Organization (UNIDO); AF00000276; US\$ 5,000,000)

64. 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 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 proposal should quantify estimated benefits whenever possible;
  - (ii) The fully developed proposal should include a detailed consultation report for communities, financial institutions, small and medium enterprises that were engaged, including detailed information on stakeholders met, dates, topics discussed and how the outcomes were integrated in the project design;
  - (iii) The fully developed proposal should include a detailed Environmental and Social Management System (ESMS), including a management plan for unidentified subprojects (USPs);
  - (iv) At the fully developed proposal stage, sustainability considerations should be described in detail from environmental, social, institutional, economic and financial perspectives;
- (c) To approve the project formulation grant of US\$ 30,000;
- (d) To request UNIDO to transmit the observations under subparagraph (b) to the Governments of Kenya and Uganda;
- (e) To encourage the Governments of Kenya and Uganda to submit through UNIDO, a fully developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.39/45)**

**(f) Review of innovation small grant project proposals**

Chile (1): Implementation of Action of the Capacity Building and Climate Empowerment Strategy  
(Innovation Small Grant; Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID); AFRDG00061 US\$ 247,200)

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

- (a) To not approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID) to the requests made by the technical review;
- (b) To suggest that AGCID reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should include an explanation on Action for Climate Empowerment (ACE) and its contribution to enhancing adaptation and resilience;
  - (ii) The proponent should clearly articulate the climate change adaptation and innovation rationale, including the project benefits, adaptation outcomes or expected results once the project objectives are achieved;

- (iii) The proponent should conduct adequate environmental and social risk screening, gender inclusive consultations, and further elaborate on risk mitigation measures, in line with the Adaptation Fund's gender policy;
- (c) To request AGCID to transmit the observations under subparagraph (b) to the Government of Chile.

**(Decision B.39/46)**

Chile (2): Comprehensive Multi-Energy Isolated System for Community-based Food Security in the Chilean Patagonia (Innovation Small Grant; Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID); AFRDG00062; US\$ 249,900)

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

- (a) To not approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID) to the requests made by the technical review;
- (b) To suggest that AGCID 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 be further developed in line with the definition of a concrete adaptation project for the Adaptation Fund;
  - (ii) The proposal should include an explanation of the innovative adaptation practices, tools, and technologies and how they will address the climate vulnerability of target beneficiaries;
  - (iii) The proposal should clearly outline relevant climate change scenarios according to the best available scientific information in the background and context section;
- (c) To request AGCID to transmit the observations under subparagraph (b) to the Government of Chile.

**(Decision B.39/47)**

Chile (3): Sustainable Corridors. Adapting Electricity Transmission Infrastructure to the Climate Crisis through Nature-based Solutions in the Antofagasta Region (Innovation Small Grant; Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID); AFRDG00063; US\$ 250,000)

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

- (a) To not approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID) to the requests made by the technical review;
- (b) To suggest that AGCID 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 concept of the sustainable corridor and how it will enhance climate change resilience;
  - (ii) The proposal should specify the target locations and the climate change vulnerabilities of the host communities;

- (iii) The proposal should include details on the type of nature-based solutions that will be adopted in the project, with consideration of the environmental conditions of the target area;
- (c) To request AGCID to transmit the observations under subparagraph (b) to the Government of Chile.

**(Decision B.39/48)**

Indonesia: Developing “Climate Smart Community” System to Increase Climate Resilience for Saddang Watershed Communities (Innovation Small Grant; Partnership for Governance Reform in Indonesia (Kemitraan); AFRDG00064; US\$ 250,000)

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

- (a) To not approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the requests made by the technical review;
- (b) To suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
  - (i) The proposal should clarify the sustainability of the project outcomes, how the youth climate observer group will remain active, as well as who will operate and manage the improved technology platforms;
  - (ii) The proposal should further develop and clarify gender considerations in the project;
- (c) To request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

**(Decision B.39/49)**

Senegal: Djiogui Niokolo: Developing Agro-Sylvo-Pastoral Models for Sustainable Agriculture and Environmental Preservation (Innovation Small Grant; Centre de Suivi Ecologique (CSE); AFRDG00065; US\$ 248,319)

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

- (a) To not approve the innovation small grant proposal, as supplemented by the clarification responses provided by the Centre de Suivi Ecologique (CSE) to the requests made by the technical review;
- (b) To suggest that CSE 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 innovative nature of the farming techniques from the Fields of the Future project that will be replicated in Senegal;
  - (ii) The proposal should clarify the role of research institutions in the project;
- (c) To request CSE to transmit the observations under subparagraph (b) to the Government of Senegal.

**(Decision B.39/50)**

**(g) Request for project major change**

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

(a) To approve the request for change in deletion of output, material change and change in project outputs' indicators targets for the project "Increasing the Resilience of both Displaced Persons and Host Communities to Climate Change-Related Water Challenges in Jordan and Lebanon", as requested by the United Nations Human Settlements Programme (UN-Habitat) and as contained in the revised project proposal presented as Annex 5 of document AFB/PPRC.30/53;

(b) To request the secretariat to draft an amendment to the agreement between the Board and UN-Habitat to reflect the changes made under subparagraph (a).

**(Decision B.39/51)**

**(h) Updated guidance for Implementing Entities on the use of unidentified sub-projects**

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

(a) To adopt the updated guidance for implementing entities on the use of Unidentified Sub-Projects (USPs) contained in document AFB/PPRC.30/54, thus superseding that of Annex 2 of document AFB/B.32-33/7;

(b) To request the secretariat to inform the implementing entities of the Fund of the new guidance;

(c) To request the secretariat to provide an update to the PPRC on the use of USPs in the proposal design no later than its thirty-fourth meeting.

**(Decision B.39/52)**

**(i) Options for further supporting the work of the PPRC**

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

(a) To invite the implementing entities of the Adaptation Fund to submit, on a rolling basis as described under option 3 in document AFB/PPRC.30/55, proposals for projects or programmes under the innovation, enhanced direct access, learning and scale-up grants funding windows, on a pilot basis;

(b) To request the Secretariat to prepare a report on the pilot phase to-date, with a view to considering potential changes to the Operational Policies and Guidelines (OPG), as appropriate, and taking into consideration the developments related to the new Medium-Term Strategy (2023-2027), as well as any other relevant developments;

(c) To request the Secretariat to present the report at the thirty-first meeting of the PPRC with a recommendation concerning the next decision regarding the pilot phase.

**(Decision B.39/53)**

**Agenda item 7: Report of thirtieth meeting of the Ethics and Finance Committee**

73. Mr. Mattias Broman (Sweden, Western Europe and Others), Chair of the EFC, presented the report of the EFC (AFB/EFC.30/12).

74. The Board took note of the report of the EFC and adopted the decisions on matters considered by the EFC at its thirtieth meeting as indicated in the following subsections.

**(a) Annual performance report for fiscal year 2022**

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

(a) To approve the Adaptation Fund annual performance report for the fiscal year 2022 as contained in document AFB/EFC.30/3/Rev.1;

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

**(Decision B.39/54)**

**(b) Financial issues**

76. No recommendations were presented for the Board's consideration in connection with the financial issues considered by the EFC at its thirtieth meeting.

**(c) Report of the Chair of the Technical Evaluation Reference Group**

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

(a) To take note of the information provided by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) on the overall approach to evaluation policy guidance development, and the proposed format, content and access environment for resources, as presented in document AFB/EFC.30/8/Rev.1, on the draft framework for the development of evaluation policy guidance documents;

(b) To request the AF-TERG:

(i) To continue to develop evaluation policy guidance documents, in consultation with the secretariat;

(ii) To present the developed documents identified in document AFB/EFC.30/8/Rev.1 to the Ethics and Finance Committee for its consideration at its thirty-first meeting, in March 2023.

**(Decision B.39/55)**

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

(a) To take note of the key findings of the thematic evaluation of the Adaptation Fund's experience with innovation conducted by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) and contained in document AFB/EFC.30/10, particularly areas

of improvement, in informing the overall strategic direction and level of ambition of future work on innovation supported by the Adaptation Fund;

(b) To request the secretariat:

(i) To prepare a draft management response to the thematic evaluation mentioned above and to submit it to the EFC for comments during the intersessional period between the Board's thirty-ninth and fortieth meetings, and to revise the draft management response taking into account the comments received from the members of the EFC for the consideration of the EFC at its thirty-first meeting;

(ii) To consider, in the context of developing plans for the implementation of future work on innovation, various options, including the three options presented in the evaluation document, as well as a combination of relevant elements thereof, and the cost and resource implications required to implement them, as well as their potential benefits and impacts, and accordingly consider them when developing the implementation plan for the medium-term strategy for 2023–2027 for consideration by the Board;

(c) To consider and approve subsequent topics for AF-TERG thematic evaluations in the context of the three-year work plans of the AF-TERG, including the next AF-TERG work programme for 2025–2027.

**(Decision B.39/56)**

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

(a) To take note of the report and the options presented in document AFB/EFC.30/11;

(b) To adopt a phased approach to the overall evaluation, proceeding urgently with a rapid evaluation and undertaking a comprehensive evaluation at a later stage, with a view to contributing to the development of the Adaptation Fund's medium-term strategy for 2028–2032;

*With respect to the rapid evaluation*

(c) To request the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG):

(i) To prepare terms of reference for the rapid evaluation in line with option 1, for the consideration of the Ethics and Finance Committee during the intersessional period between its thirtieth and thirty-first meetings and, if needed, to present the detailed financial implications of the rapid evaluation for the consideration of the EFC at its thirty-first meeting;

(ii) To prepare the rapid evaluation, in line with option 1 and on the basis of the terms of reference referred to in paragraph (c) (i) above, and to submit it for the consideration of the Board, no later than 60 days before the forty-first meeting of the Board;

(d) To request the secretariat to prepare a draft management response to the rapid evaluation for consideration by the Board at its forty-first meeting;

*With respect to the comprehensive evaluation*

(e) To request the AF-TERG:

- (i) To prepare terms of reference for the comprehensive evaluation in line with option 3 and detailed financial implications of the comprehensive evaluation for the consideration of the Ethics and Finance Committee at its thirty-fourth meeting
- (ii) To prepare the comprehensive evaluation in line with option 3 and on the basis of the terms of reference referred to in paragraph (e) (i) above and to submit it for the consideration of the Board, no later than 60 days before the forty-seventh meeting of the Board;
- (f) To request the secretariat to prepare a draft management response to the comprehensive evaluation for consideration by the Board at its forty-seventh meeting.

**(Decision B.39/57)**

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

- (a) To approve, from the resources available in the Adaptation Fund Trust Fund, the proposed revised budget of US\$ 1,484,965 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, from 1 July 2022 to 30 June 2023, comprising US\$ 846,496 for the management component and US\$ 638,469 for the evaluation component, representing an increase of US\$ 155,000 over the revised approved AF-TERG budget for fiscal year 2023 that required an additional transfer from the Adaptation Fund Trust Fund;
- (b) To authorize the trustee to transfer the amount of the increase indicated in paragraph (a) above to the AF-TERG secretariat.

**(Decision B.39/58)**

81. The revised approved AF-TERG budget for fiscal year 2023 is set out in annex IV to the present report.

**(d) Progress report on the management response to the mid-term review of the medium-term strategy**

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

- (a) To take note of the report set out in document AFB/EFC.30/6, which provided an update on the progress made in implementing the action plan of the updated management response to the mid-term review of the medium-term strategy;
- (b) To request the secretariat to post the approved progress report on the management response and action plan on the Adaptation Fund's website.

**(Decision B.39/59)**



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

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

- (a) To take note of the update report contained in document AFB/EFC.30/7 and its annexes;
- (b) To request the secretariat to continue discussing and engaging with the United Nations Development Programme (UNDP), with a view to ensuring that all completed projects funded by the Adaptation Fund and implemented by UNDP were financially closed and that final audited financial statements were prepared and submitted in compliance with the Adaptation Fund's Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund and the project legal agreements between the Board and UNDP;
- (c) To request UNDP:
  - (i) To provide a report on its progress in responding to the Adaptation Fund Board's request in decision B.37/37, paragraph (c), to the Board at its fortieth meeting, taking into account the UNDP Office of Audit and Investigations audit management action plan for UNDP management of Global Environment Facility resources and the independent assessment of UNDP management of projects supported by the Green Climate Fund, underscoring the importance of considering matters specifically related to its compliance with the Adaptation Fund's policy on fiduciary standards;
  - (ii) To submit, for all completed projects funded by the Adaptation Fund, final audited financial statements prepared in compliance with the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund and the project legal agreements between the Board and UNDP;
  - (iii) To make an oral presentation on the status of the matters referred to in paragraphs (c) (i) and (ii) above to the Ethics and Finance Committee at its thirty-first meeting;
- (d) To request the Chair and Vice Chair of the Board to hold a meeting with UNDP, prior to the fortieth meeting of the Board, to discuss the matters referred to in paragraph (c) above.

**(Decision B.39/60)**

**Agenda item 8: Medium-term strategy of the Fund for the period 2023–2027**

84. The Manager of the secretariat presented document AFB/B.39/5/Rev.2, on the Fund's draft medium-term strategy (MTS) for 2023–2027, which contained the draft MTS 2023 – 2027 that aimed at building on the strategic framework and achievements of the first MTS (2018 – 2022) and further enhanced it in order to consolidate the Fund's comparative advantage and optimize its impact, in line with Decision B.38/49. The draft MTS 2023 – 2027 document also included the outcomes of further stakeholder consultations undertaken since the thirty-eighth Board meeting.

85. Members applauded the innovative approach of consulting the Intergovernmental Panel on Climate Change on the medium-term strategy and suggested that the secretariat also consult the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, as adaptation issues were also relevant to the study of ecosystems. While all financing was to serve the objectives

of the Paris Agreement, the implementation plan should also address synergies with biodiversity, concerns about loss and damage, transformative adaptation, and conflict and fragility. Members expressed support for the new crosscutting theme of promoting locally based and locally led adaptation, while noting that local experience should not be considered in isolation from other governance levels.

86. In response to queries, the Manager of the secretariat said that the specific actions outlined in the implementation plan would determine the funding needed to implement the MTS, and clarified that micro loans had already been implemented in some projects. He also agreed that the climate rationale was central to the work of the Fund at all levels and should be included in the Fund's capacity-building and readiness activities and as a topic for knowledge management activities. As the risk management framework had pre-existed the current MTS, it could be usefully revisited as a part of the implementation plan for the new MTS. He explained that indicators had usually been considered together with the results framework, which had already been updated to include new indicators as they arose, such as had been done for the topic of innovation. Those indicators that went beyond measuring the outcomes of the MTS could be used to evaluate the Fund as a whole.

87. The Manager of the secretariat added that the issue of the private sector would be taken up when discussing the full-cost of adaptation reasoning which the Board had decided to consider at its fortieth meeting. Consideration had already been given to leveraging funding from other sources, including those found beyond the other climate funds. Successful projects were already being scaled up jointly with the Green Climate Fund (GCF), with which the Adaptation Fund had already harmonized a number of its internal processes. Further harmonization with other funds was being undertaken where possible, but extensive harmonization might require the approval by the Parties. Issues of conflict and fragility had already been reflected in the second MTS as a novel area for adaptation actions; and was also addressed in the policies of the Fund that dealt with equal access, non-discrimination and involuntary resettlement. Addressing those issues more proactively had not come up in the consultations undertaken by the secretariat but could be included as a cross-cutting element if the Board so wished.

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

- (a) To adopt the medium-term strategy for 2023–2027 (MTS 2023–2027) contained in annex 2 to document AFB/B.39/5/Rev.2;
- (b) To request the secretariat:
  - (i) To broadly disseminate the MTS 2023–2027 to the Adaptation Fund's stakeholders to raise awareness and support;
  - (ii) To prepare, under the guidance of the MTS 2023–2027 task force, a draft implementation plan for the MTS 2023–2027, for consideration by the Board at its fortieth meeting;
  - (iii) To prepare, as part of the implementation plan and as necessary, draft updates to the Adaptation Fund's Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, in order to facilitate implementation of the MTS 2023–2027, for consideration by the Board at its fortieth meeting.

**(Decision B.39/61)**

**Agenda item 9: Draft resource mobilization strategy and action plan for the period 2022–2025**

89. Introducing the item, the representative of the secretariat recalled that the Board, in decision B.38/50, had requested the secretariat to conduct a survey of the Board during the intersessional period to obtain input on the draft resource mobilization strategy and action plan presented at the thirty-eight meeting, and to update the documents to reflect the Board's input. She then presented the secretariat's report on the results of the survey and the updated draft resource mobilization strategy and action plan for the period 2022–2025 (AFB/B.39/6).

90. Following the presentation, the Board went into a closed session to further consider the draft resource mobilization strategy (confidential document AFB/B.39/6/Add.1/Rev.1) and draft resource mobilization action plan (confidential document AFB/B.39/6/Add.2/Rev.2) and to pursue its discussion on the matter.

91. Following the discussion in the closed session, the Vice-Chair reported that the Board had been unable to agree on a resource mobilization target.

92. Having considered document AFB/B.39/6 including its annex I, AFB/B.39/6/Add.1/Rev.2 including its annex I and AFB/B.39/6/Add.2/Rev.2, the Adaptation Fund Board (the Board) decided:

(c) To approve the overall resource mobilization strategy for the Fund for 2022–2025 contained in document AFB/B.39/6/Add.1/Rev.1;

(d) To approve the overall resource mobilization action plan for the Fund for 2022–2025 contained in document AFB/B.39/6/Add.2/Rev.2.

**(Decision B.39/62)**

**Agenda item 10: 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*

93. The representative of the secretariat presented an update on the strategic discussion on the objectives and further steps with respect to potential linkages between the Adaptation Fund and the Green Climate Fund (GCF) (AFB/B.39/7).

94. Subsequently, responding to questions posed by Board members, he added that, while unlike GCF the Adaptation Fund did not have country programmes, Adaptation Fund project often became part of GCF country programmes because countries felt they could scale such projects up. Thirteen projects initially funded by the Adaptation Fund had been scaled up to date, and advanced discussions were currently under way to scale up four additional projects within the context of the scale-up framework.

95. He also reported on the tangible outcomes of the community of practice for direct access entities (CPDAE) created by the Adaptation Fund. Through the readiness programme, the Fund had helped the community of practice identify avenues for capacity-building, such as advising on areas of needs identification, working on project design and engaging further on climate finance access and South-South cooperation. CPDAE was an effective vehicle for sharing knowledge and had contributed to the rise in the number of national implementing entities. The community of practice had developed a three-year action plan with the recent additional funding from GCF and was currently implementing the plan.

96. Members expressed appreciation for the information provided but encouraged the secretariat to provide additional information, ideally in an annex to future reports, to provide comprehensive areas of synergies and complementarity between the two funds. A succinct section with a list of projects that had been scaled up and entities that had been fast-track accredited to date, as well as information on indicators, aggregated where possible, would be useful for developed country stakeholders and would help secure additional funding from developed countries.

97. While underscoring that the Adaptation Fund should retain its individuality and not seek harmonization in every aspect of its operation, members also suggested other areas for increased harmonization and alignment, including on risk assessment, as well as on procedures and reporting requirements, as a practical step towards addressing barriers to accessing climate finance.

98. Members also proposed ways of supporting harmonization, including by becoming involved in the Taskforce on Access to Climate Finance; initiating discussions on project origination aimed at identifying bankable projects to invest in, with the Adaptation Fund contributing at the project inception stage; and developing methodological guidance in critical areas for adaptation, such as climate impact and vulnerability assessment.

99. One member, noting that GCF had guidelines for enhancing country ownership and country drivenness, suggested that a similar policy for the Adaptation Fund could help resolve some of the project-related issues regularly faced by the PPRC.

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

- (a) To take note of the report contained in document AFB/B.39/7, which provided an update on the recent cooperation between the Adaptation Fund and the Green Climate Fund;
- (b) To request the Chair and Vice-Chair of the Board to continue their active engagement with the Green Climate Fund board, assisted by the secretariat, with a view to further exploring complementarity and coherence between the two funds and taking concrete steps to advance the options for fund-to-fund arrangements described in document GCF/B.22/09 and annex I thereto;
- (c) To request the secretariat to continue discussions with the Green Climate Fund to advance the collaborative activities identified at the annual dialogue on climate finance delivery channels held in November 2020 and to make progress in implementing the seven activities of the 2019 climate funds collaboration road map (annex I to document AFB/B.36/6);
- (d) To request the Chair and the secretariat to provide the Board with:
  - (i) A report on the progress made in the activities described in subparagraph (c) above, for the consideration of the Board at its fortieth meeting;
  - (ii) An update on the matter as referred to in subparagraph (b) above, once it had been considered by the Green Climate Fund board.

**(Decision B.39/63)**

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

101. The representative of the secretariat presented the document on options for a policy or guidelines to further enhance civil society participation and engagement in the work of the Board (AFB/B.39/8), which contained a proposed draft outline of the Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement.

102. In the ensuing discussion, members generally agreed that while it was important to support the participation of civil society organizations in the work of the Board, more thought had to be given to the process for recognizing the status of civil society observers and their participation in closed sessions of the Board. As it was an evolving issue on which opinions were shifting, there should be more consultation, either intersessionally or during the next meeting of the Board, before a decision was taken on the matter. It was noted that the Adaptation Fund Civil Society Network had recently lost the funding that it had enjoyed for the previous 10 years, which might make it harder for its members to attend Board meetings; however, members were interested in moving the process forward, considering that there was value in civil society participation at the Board meetings and recalling that the mission of the Fund was to implement projects that would benefit vulnerable populations.

103. Responding to members' comments and questions, the representative of the secretariat said that the survey was the second undertaken by the secretariat on the elements recommended by the Adaptation Fund Civil Society Organization Network, at the request of the Board. Given the limited time available at the Board meetings to discuss the matter, the secretariat had grouped those elements according to the results of the Board survey and included those in the proposed outline for draft guidelines that received majority support as well as divided opinions and the implementation of which does not require an amendment of the Rules of Procedure. Elements that had not been clearly supported in the Board survey or that received divided opinions and the implementation of which requires an amendment of the Rules of Procedure could be found in tables 2 and 3 of the document, and new views would be added to those tables as the Board's views evolved so that the survey results did not prejudice any future Board decision.

104. The Adaptation Fund Board (the Board) decided to request the secretariat:

- (a) To prepare a draft Adaptation Fund vision and guidelines for enhanced civil society engagement, based on the draft outline presented in table 1 of document AFB/B.39/8 and reflecting the discussion at the thirty-ninth meeting of the Board;
- (b) To compile any remaining elements recommended by the Adaptation Fund Civil Society Network that were not included in the draft outline referred to in subparagraph (a) above and their potential implications, for further discussion;
- (c) To present the documents referred to in paragraphs (a) and (b) above for the Board's consideration at its fortieth meeting.

**(Decision B.39/64)**

- c) *Further analysis of element related to innovation under the Adaptation Fund: mapping finance for innovation, risk appetite and recommendations for the innovation advisory body*

105. Introducing the item, the representative of the secretariat recalled that in decision B.36/39, paragraph (c), the Board had requested the secretariat to develop an updated document that further refined the elements related to innovation in climate change adaptation outlined in document AFB/B.36/8, for the Board's consideration. The updated document was to include an analysis of the global landscape of finance for innovation in climate adaptation, along with any gaps; potential types of risks related to innovation projects funded by the Adaptation Fund, with recommendations on the flexibility on acceptable levels specific to the type of risk; and a proposal on the piloting of the establishment of an advisory body to support the Adaptation Fund's work on innovation on an ongoing basis. She then proceeded to present the updated document (AFB/B.39/10).

106. Members welcomed the update and voiced general support for the continuation of the work and framework approach presented, including the establishment of an innovation advisory body and further definition of risk tolerance targets as well as identifying promising or desirable project design elements. Some also supported the development of standards and a definition for innovation, saying that it would assist in determining whether projects qualified as innovative, although one member cautioned that defining innovation might be delicate, as it could mean different things to different countries.

107. In their comments, members suggested avenues for additional work, including consulting national focal points to determine the country priorities, as part of the Fund's role would be to specify areas that required innovation (e.g., work with vulnerable populations); developing partnerships with experienced actors already working at the local level and strengthening the entrepreneurial ecosystems; learning from the experiences, results and challenges of the Adaptation Fund Climate Innovation Accelerator, as well as from the experience of local financial institutions, particularly the multilateral development banks with whom the Fund already had a relationship; identifying risk mitigation mechanisms or tools to be included in the risk framework; and establishing clear criteria for evaluating projects from an innovation perspective.

108. In responding to members' questions, the representative of the secretariat indicated that in its future work on the topic, the secretariat could explore further the role of universities and research institutes. She discussed the value of innovation projects in advancing knowledge baseline in adaptation, the importance of further finetuning the innovation proposal requirements and review criteria, and explained that the secretariat would further discuss and consult with the Board regarding a determination of the financial implications of establishing an advisory board.

109. The Adaptation Fund Board decided:

- (a) To request the secretariat to develop a draft risk framework for innovation projects and programmes, along with desired risk-tolerance targets for the Adaptation Fund's innovation projects portfolio, taking into account the differences among the innovation funding windows;
- (b) To request the secretariat to, in conjunction with the activity mentioned in subparagraph (a) above, indicate and clarify the project design elements that are encouraged in innovation, elaborating on the concept of acceptable or desirable risk, with a view to providing guidance to implementing entities;
- (c) To request the secretariat, in consultation with the innovation task force, to further develop principles for the advisory body for innovation referred to in document AFB/B.39/10, including draft terms of reference, taking into account the developments with the medium-term strategy for 2023–2027;
- (d) To request the secretariat to present the analyses and recommendations arising from the work performed pursuant to subparagraphs (a) to (c) above to the Project and Programme Review Committee at its thirty-first meeting.

**(Decision B.39/65)**

*d) Objectives and indicators for innovation aspects of projects*

110. Owing to a lack of time, the Board agreed to defer consideration of the sub-item to its fortieth meeting.

**Agenda item 11: 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**

111. Introducing the item, the representative of the secretariat recalled that the Glasgow climate change conference had resulted in a number of decisions relevant to the Fund. The main decisions were described in document AFB/B.39/9, which also contained a summary of the results of a survey of the Board undertaken pursuant to decision B.38/51 on the proposed amendments to the Strategic Priorities, Policies and Guidelines of the Adaptation Fund adopted by CMP (SPPG) and the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG); the proposed changes were set out in documents AFB/B.39/9/Add.1 and Add.2, respectively. The representative also recalled that the CMP requested the Board by decision 13/CMA.3: to amend the relevant OPG and SPPG regarding eligible country Parties to access funding from the Adaptation Fund; and to amend the relevant procedures and modalities to reflect the decision that the Paris Agreement Parties are eligible for Board membership.

112. Subsequently, responding to members' question, the representative of the secretariat said that although disaster risk reduction was part of the process under the United Nations Framework Convention on Climate Change, that process did not yet include the Adaptation Fund. Consequently, the secretariat suggested not to add the element following a relatively conservative approach in amending the SPPG and OPG, considering that the amendments were triggered and based on decision 3/CMP.16 and 13/CMA.3, and that the SPPG would need to be amended again when the Fund started to exclusively serve the Paris Agreement. Therefore, the secretariat would conduct another survey of the Board in the future and would then propose further modifications to the SPPG and OPG.

113. In response to a question about whether the secretariat were to select the independent evaluators who conducted final evaluations of the projects funded by the Adaptation Fund, the representative of the secretariat explained that evaluators were to be selected by the implementing entities, who also selected the executing entities. The implementing entities were wholly responsible for project management throughout the lifecycle of the projects and programmes that they implemented and the management of the grants. In response to a question about preparations for the arrangements related to post-transitional period where the Fund exclusively serves the Paris Agreement, the representative of the secretariat explained that it had already started discussions with the relevant stakeholders including the trustee and the UNFCCC Secretariat, that the preparations depended on the further guidance and decisions by the CMP and CMA, and that it would be able to present relevant information to the Board meetings in 2023.

114. Having considered decisions 3/CMP.16 and 13/CMA.3, as well as documents AFB/B.39/9 and its annex, AFB/B.39/9/Add.1 and AFB/B.39/9/Add.2, the Adaptation Fund Board (the Board) decided:

- (a) To approve the amendments to the "Strategic Priorities, Policies and Guidelines of the Adaptation Fund adopted by CMP" (SPPG), as contained in document AFB/B.39/9/Add.1;
- (b) To approve the amendments to the "Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund" (OPG), as contained in document AFB/B.39/9/Add.2;

(c) To submit its recommendation to the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP) at its seventeenth session that the CMP consider and take any action on, as it deems appropriate, the amendments to the SPPG as approved by the Board at its thirty-ninth meeting;

(d) To include a summary of the Board's consideration of and decisions on the amendments to the SPPG and OPG in response to decisions 3/CMP.16 and 13/CMA.3 and the Board's recommendation to the CMP as referred to in paragraph (c) in the addendum to the Report of the Board to the CMP at its seventeenth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its fourth session.

**(Decision B.39/66)**

### **Agenda item 12: Knowledge management, communications and outreach**

115. The representatives of the secretariat presented updates on the knowledge management and communications activities of the secretariat, as outlined in the report on the activities of the secretariat (AFB/B.39/3).

116. Members welcomed the information provided and applauded what some described as substantial recent progress. They also posed a number of questions. Responding, the representatives of the secretariat indicated that the use of knowledge management products were tracked through Google analytics in previous years. The topics for such knowledge management products were selected based on the maturity of the portfolio and emerging lessons learned from projects and topics that emerged at the annual climate conferences. The secretariat would welcome the input of Board members and could solicit such input through a survey if the Board so wished. On the communications and outreach side, it was possible to see who, in terms of countries, were reading the web stories. The secretariat attempted to publish stories and products in English, French and Spanish where feasible and monitored media mentions, which had risen for all three languages. The secretariat enjoyed good personal relationships with many of the national implementing entities, which supported the production of high-quality stories. In terms of the sharing of knowledge among national implementing entities, they reported that, beyond the annual NIE seminar, information was shared through both the locally-led adaptation community of practice and the CPDAE, as well as through direct email communications.

117. Members offered a few ideas for additional improvements, including suggesting that some knowledge management and communication and outreach products also be translated into Arabic if possible, and that the secretariat develop a tutorial on the application and approval process for projects and programmes, which did not appear to be well understood by some implementing entities.

118. The Adaptation Fund Board took note of the information provided.

### **Agenda item 13: Dialogue with civil society organizations**

119. The dialogue with civil society organizations consisted of one presentation and a short period for questions and comments. A scheduled second presentation could not be made but was later circulated to the Board members. The report on the dialogue is set out in annex V to the present report.



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

#### **Agenda item 14: Election of officers for the next period of office**

121. Having considered the names of the proposed candidates for the officers of the Fund for the next term of office and for membership on the task force on innovation, the Adaptation Fund Board (the Board) decided to elect:

- (a) Mr. Antonio Navarra (Italy, Western European and Others) as the Chair of the Board;
- (b) The Vice-Chair of the Board during the intersessional period between its thirty-ninth and fortieth meetings;
- (c) Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States) as the Chair of the EFC;
- (d) Mr. Matthias Bachmann (Switzerland, Annex I Parties) as the Vice-Chair of the EFC;
- (e) The Chair of the PPRC during the intersessional period between its thirty-ninth and fortieth meetings;
- (f) Ms. Fatou Ndeye Gaye (The Gambia, Africa) as the Vice-Chair of the PPRC;
- (g) Ms. Patience Dampsey (Ghana, Africa) as the Chair of the Accreditation Panel;
- (h) The Vice-Chair of the Accreditation Panel during the intersessional period between its thirty-ninth and fortieth meetings;
- (i) Three members of the innovation task force established pursuant to decision B.35.b/9 (c), for the three vacant seats:
  - (i) Mr. Antonio Navarra (Italy, Western European and Others);
  - (ii) Ms. Angelique Louise Marie Pouponneau (Seychelles, Small Island Developing States);
  - (iii) Mr. Idy Niang (Senegal, Least Developed Countries).

**(Decision B.39/67)**

#### **Agenda item 15: Date and venue of meetings in 2023 and onward**

122. Introducing the item, the representative of the secretariat recalled that in decision B.38/52, the Board had requested the secretariat to explore the feasibility of holding the board meeting in the host country for the United Nations Climate Change Conference and other countries. She then presented the information set out in document AFB/B.39/12, on the diversification of meeting venues, highlighting the required legal arrangements with the host countries, other necessary arrangements for the meeting support and the changes that would be needed to the Board's rules of procedure to allow the meeting of the Board to take place in a country not set out in paragraph 18 of the Rules of Procedure.

123. In the ensuing discussion, members were generally in favour of the secretariat continuing to explore the possibility of holding Board meetings in countries where Adaptation Fund projects were being implemented. It was suggested that the meetings held in conjunction with the annual United Nations climate change conference should be held back-to-back with such meetings, although some members were of the view that such back-to-back meetings might be challenging or not be possible.

124. Responding to members' comments, the representative of the secretariat said the secretariat could survey the Board or the designated authorities of developing countries to explore the potential for such countries to host a Board meeting, but reiterated that the decision to hold the meeting in a country not set out in paragraph 18 of the rules of procedure would require a change in the rules of procedure, which would in turn require a decision by the Conference of the Parties to adopt the amendment for it to become effective. She also said that although the date of the forty-first meeting was decided by the Board, this could be amended by the Board, as it deemed necessary and appropriate, to align it with a possible schedule of the Board meeting to be held in conjunction with the UN Climate Change Conference.

125. The Chair said that he hoped that more ideas on how to modify the rules of procedure to facilitate the holding meetings in developing countries would be put forward at the Board's fortieth meeting.

126. Having considered document AFB/B.39/12, the Adaptation Fund Board (the Board) decided:

- (a) To hold its fortieth meeting from 21–24 March 2023;
- (b) To request secretariat to explore the feasibility of holding the forty-first board meeting, scheduled from 10–13 October 2023, in the host country for the United Nations Climate Change Conference in conjunction with such meeting, to enable the Board to further consider the matter at its fortieth meeting or during intersessional period between the fortieth and forty-first meetings (B.40–B.41);
- (c) To continue considering the matter of diversification of meeting venues at its fortieth and forty-first meetings.

**(Decision B.39/68)**

### **Agenda item 16: Implementation of the code of conduct**

127. 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 17: Other matters**

#### *Assessment of the carbon footprint of the Adaptation Fund*

128. Introducing the topic of the assessment of the Fund's carbon footprint, which the Board had agreed to discuss under the agenda item on other matters, a Board member explained that there was a global trend for funds and financial institutions to disclose information on the impact of their portfolio and investment decisions in terms of greenhouse gas emissions. The European Union, for instance, had recently adopted the Sustainable Financial Disclosure Regulation and was set to adopt the Corporate Sustainability Reporting Directive, requiring financial institutions to disclose information on the impact of their financial decisions on the climate change for corporate sustainability reporting and sustainable financial regulation. Furthermore, one of the vectors of the Paris Agreement was to make finance flows compatible with the low-carbon economy.

129. It was therefore proposed to establish and monitor the carbon footprint of the activities of the Fund, such as the activities at the level of the Board and the secretariat, if the Board decided to do so. The member suggested that at the Board's fortieth meeting, the secretariat present the carbon

footprint of the secretariat and the Board, how it had evolved over the years and ways to mitigate or compensate the emissions. In addition, the secretariat could present a methodology for evaluating emissions at the project level, which should be simple, to avoid creating a burden at the local level.

130. Other members welcomed the proposal but raised concerns regarding the capacity of the secretariat to perform the proposed work in the time allotted and the potential financial implications of the proposal. They also questioned the capacity for, and financial implications of, measuring impact at the project level, as well as the objective of the exercise.

131. Responding to members' questions and concerns, the Manager of the secretariat recalled that the secretariat and the trustee were both hosted within the World Bank system. The World Bank had systems in place for assessing the carbon footprint and offsetting some of the emissions related to the electricity consumption and official travel, and it would be feasible for the secretariat to provide information on that at the fortieth meeting. The carbon footprint associated with holding the Board meeting could also be estimated. Assessing the carbon emissions from Adaptation Fund projects was much more complex, however. The secretariat did not have the required expertise and would need to procure it, making it difficult to conduct an assessment in time for the fortieth meeting. The secretariat could, however, elaborate on some of the associated challenges at the fortieth meeting.

132. The member who had presented the proposal addressed the question of the objective of the exercise, saying that, in his view, the calculation of carbon footprint was suggested just as a matter of transparency, aimed at identifying the CO<sub>2</sub> emissions generated by the Fund's activities, in order to assume responsibility and act accordingly.

133. The Board agreed to pursue its discussion on the matter at its fortieth meeting, at which time the secretariat would provide relevant and available information such as, related to the emissions associated with the office space and travel of the secretariat and the travel of the Board, as well as elaborating on the challenges of calculating emissions for the projects.

#### **Agenda item 18: Adoption of the report**

134. The decisions herein were adopted by the Board at its thirty-ninth meeting on the basis of document AFB/B.39/14, and the present report was adopted by the Board during the intersessional period between its thirty-ninth and fortieth meetings.

#### **Agenda item 19: Closure of the meeting**

Following the customary exchange of courtesies, the Chair declared the meeting closed at 6.15 p.m. on 14 October 2022.

## ANNEX I

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

<b>MEMBERS</b>		
<b>Name</b>	<b>Country</b>	<b>Constituency</b>
Mr. Washington Zhakata	Zimbabwe	Africa
Ms. Patience Damphey	Ghana	Africa
Mr. Albara Tawfiq	Saudi Arabia	Asia-Pacific
Ms. Ala Druta	Moldova	Eastern Europe
Mr. Wenceslao Carrera Doral	Cuba	Latin America and the Caribbean
Mr. Idy Niang	Senegal	Least Developed Countries
Ms. Ursula Fuentes-Hutfilter	Germany	Western Europe and Others
Mr. Antonio Navarra	Italy	Western Europe and Others
Ms. Sylviane Bilgischer	Belgium	Annex I Parties
Mr. Marc-Antoine Martin	France	Annex I Parties
Mr. Lucas di Pietro	Argentina	Non-Annex I Parties

<b>ALTERNATES</b>		
<b>Name</b>	<b>Country</b>	<b>Constituency</b>
Ms. Fatou Ndeye Gaye	Gambia	Africa
Mr. Ahmed Waheed	Maldives	Asia-Pacific
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 Louise Marie 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 Touré	Guinea	Non-Annex I Parties

**ANNEX II**

## Adopted agenda of the thirty-ninth meeting of the Adaptation Fund Board

1. Opening of the meeting.
2. Organizational matters:
  - a) Adoption of the agenda;
  - b) Organization of work.
3. Report on activities of the Chair.
4. Report on activities of the secretariat.
5. Accreditation-related matters:
  - a) Report of the Accreditation Panel;
  - b) Report of the task force on the matters related to top-level management statement.
6. Report of the thirtieth 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) Updated guidance for implementing entities on the use of unidentified subprojects;
  - f) Options for further supporting the work of the PPRC.
7. Report of the thirtieth meeting of the Ethics and Finance Committee on:
  - a) Annual performance report for fiscal year 2022;
  - b) Financial issues;
  - c) Report of the Chair of the Technical Evaluation Reference Group;
  - d) Progress report on the management response to the mid-term review of the medium-term strategy;

- e) Update on implications of the fiduciary issues related to the United Nations Development Programme.
8. Medium-term strategy of the Fund for the period 2023–2027.
  9. Draft resource mobilization strategy and action plan for the period 2022–2025.
  10. Issues remaining from earlier meetings:
    - a) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund;
    - b) Options to further enhance civil society participation and engagement in the work of the Board
    - c) Further analysis of element related to innovation under the Adaptation Fund: mapping finance for innovation, risk appetite, and recommendations for the innovation advisory body
    - d) Objectives and indicators for innovation aspects of projects.
  11. 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).
  12. Knowledge management, communications and outreach.
  13. Dialogue with civil society organizations.
  14. Election of officers for the next period of office.
  15. Date and venue of meetings in 2023 and onward.
  16. Implementation of the code of conduct.
  17. Other matters.
  18. Adoption of the report.
  19. Closure of the meeting.

## ANNEX III

**AFB39: SUMMARY OF FUNDING DECISIONS FOR PROJECTS AND PROGRAMMES AT THE THIRTY-NINTH MEETING OF THE ADAPTATION FUND BOARD**

<b>1. Full Proposals: Single-country</b>	<b>Country</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Technical Recommendation</b>	<b>Funding set aside, USD</b>
<b>NIE</b>								
	Bhutan	BT FEC	AFB/PPRC.30/4	9,998,955			Approve	9,998,955
	Uganda (1)	MoWE	AFB/PPRC.30/5	2,249,000			<i>Not approve</i>	0
	Uganda (2)	MoWE	AFB/PPRC.30/6	9,504,600			Approve	9,504,600
	Zimbabwe	EMA	AFB/PPRC.30/7	4,989,000			<i>Not approve</i>	0
<b>MIE</b>								
	Montenegro	IFAD	AFB/PPRC.30/8			10,000,000	<i>Not approve</i>	0
	Sri Lanka	UN-Habitat	AFB/PPRC.30/9			2,000,000	<i>Waitlist (1<sup>st</sup>)</i>	0
<b>Sub-total, USD</b>				<b>26,741,555</b>	<b>-</b>	<b>12,000,000</b>		<b>19,503,555</b>
<b>2. Concepts: Single-country</b>	<b>Country</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>NIE</b>								
	Indonesia (1)	Kemitraan	AFB/PPRC.30/10	999,714.29			Endorse	-
	Indonesia (2)	Kemitraan	AFB/PPRC.30/11	993,081			<i>Not endorse</i>	-
	Indonesia (3)	Kemitraan	AFB/PPRC.30/12	996,633			<i>Not endorse</i>	-
	Indonesia (4)	Kemitraan	AFB/PPRC.30/13	970,503			<i>Not endorse</i>	-
	Indonesia (5)	Kemitraan	AFB/PPRC.30/14	960,225			<i>Not endorse</i>	-
	Indonesia (6)	Kemitraan	AFB/PPRC.30/15	998,868			Endorse	-
	Indonesia (7)	Kemitraan	AFB/PPRC.30/16	998,738			<i>Not endorse</i>	-
	Indonesia (8)	Kemitraan	AFB/PPRC.30/17	1,000,000			<i>Not endorse</i>	-
	Indonesia (9)	Kemitraan	AFB/PPRC.30/18	977,939			<i>Not endorse</i>	-
	Indonesia (10)	Kemitraan	AFB/PPRC.30/19	999,226			<i>Not endorse</i>	-

	Mexico (1)	IMTA	AFB/PPRC.30/20	1,059,941.30			<i>Not endorse</i>	-
	Mexico (2)	IMTA	AFB/PPRC.30/21	6,434,050			<i>Not endorse</i>	-
	Mexico (3)	IMTA	AFB/PPRC.30/22	3,255,000			<i>Not endorse</i>	-
	Niger	BAGRI	AFB/PPRC.30/23	10,000,000			Endorse	-
	Peru	PROFONANPE	AFB/PPRC.30/24	5,465,145			<i>Not endorse</i>	-
	Tuvalu	MoF	AFB/PPRC.30/25	2,000,000			Endorse	-
<b>RIE</b>								
	Fiji	SPC	AFB/PPRC.30/26		5,764,000		Endorse	-
<b>MIE</b>								
	Georgia	IFAD	AFB/PPRC.30/27			9,846,766	Endorse	-
	Guinea	WFP	AFB/PPRC.30/28			10,000,000	Endorse	-
	Lao People's Democratic Republic	UN-Habitat	AFB/PPRC.30/29			7,323,750	Endorse	-
	Libya	IFAD	AFB/PPRC.30/30			9,997,156	<i>Not endorse</i>	-
	Maldives	UNESCO	AFB/PPRC.30/31			10,000,000	<i>Not endorse</i>	-
	Mongolia	UN-Habitat	AFB/PPRC.30/32			7,965,889	Endorse	-
	Zambia	IFAD	AFB/PPRC.30/33			10,000,000	Endorse	-
<b>Sub-total, USD</b>				<b>38,109,063.59</b>	<b>5,764,000</b>	<b>65,133,561</b>		-
<b>3. Project Formulation Grants (PFG): Single-country</b>	<b>Country</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>NIE</b>								
	Indonesia (1)	Kemitraan	AFB/PPRC.30/10/Add.1	50,000			Approve	50,000
	Indonesia (2)	Kemitraan	AFB/PPRC.30/11/Add.1	50,000			<i>Not approve</i>	0
	Indonesia (3)	Kemitraan	AFB/PPRC.30/12/Add.1	50,000			<i>Not approve</i>	0
	Indonesia (4)	Kemitraan	AFB/PPRC.30/13/Add.1	50,000			<i>Not approve</i>	0
	Indonesia (5)	Kemitraan	AFB/PPRC.30/14/Add.1	50,000			<i>Not approve</i>	0



	Indonesia (6)	Kemitraan	AFB/PPRC.30/15/Add.1	50,000			Approve	50,000
	Indonesia (7)	Kemitraan	AFB/PPRC.30/16/Add.1	50,000			<i>Not approve</i>	0
	Indonesia (8)	Kemitraan	AFB/PPRC.30/17/Add.1	50,000			<i>Not approve</i>	0
	Indonesia (9)	Kemitraan	AFB/PPRC.30/18/Add.1	50,000			<i>Not approve</i>	0
	Indonesia (10)	Kemitraan	AFB/PPRC.30/19/Add.1	50,000			<i>Not approve</i>	0
	Mexico (2)	IMTA	AFB/PPRC.30/21/Add.1	40,000			<i>Not approve</i>	0
	Mexico (3)	IMTA	AFB/PPRC.30/22/Add.1	30,000			<i>Not approve</i>	0
	Niger	BAGRI	AFB/PPRC.30/23/Add.1	49,000			Approve	49,000
	Tuvalu	MoF	AFB/PPRC.30/25/Add.1	50,000			Approve	50,000
<b>Sub-total, USD</b>				<b>669,000</b>	-	-		<b>199,000</b>

<b>4. Full Proposals: Regional</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>MIE</b>								
	Antigua and Barbuda, Saint Lucia	UN-Habitat	AFB/PPRC.30/34			13,996,500	<i>Not approve</i>	0
	El Salvador, Honduras	WFP	AFB/PPRC.30/35			12,048,300	Approve	12,048,300
	India, Sri Lanka	WFP	AFB/PPRC.30/36			13,995,524	<i>Waitlist (2<sup>nd</sup>)</i>	0
<b>Sub-total, USD</b>				-	-	<b>40,040,324</b>		<b>12,048,300</b>
<b>5. Concepts: Regional</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>RIE</b>								
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.30/37		14,000,000		<i>Not endorse</i>	-
<b>Sub-total, USD</b>				-	<b>14,000,000</b>	-		-

6. Project Formulation Grants (PFG): Regional Concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.30/37/Add.1		80,000		<i>Not approve</i>	0
<b>Sub-total, USD</b>				-	<b>80,000</b>	-		-
7. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Fiji, Samoa, Solomon Islands, Vanuatu	WMO	AFB/PPRC.30/38			13,959,881	<i>Not endorse</i>	-
<b>Sub-total, USD</b>				-	-	<b>13,959,881</b>		-
8. Project Formulation Grants (PFG) Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Fiji, Samoa, Solomon Islands, Vanuatu	WMO	AFB/PPRC.30/38/Add.1			20,000	<i>Not approve</i>	0
<b>Sub-total, USD</b>				-	-	<b>20,000</b>		-
<b>TOTAL (1+2+3+4+5+6+7+8)</b>				<b>65,519,619</b>	<b>19,844,000</b>	<b>131,153,766</b>		<b>31,750,855</b>

9.Full Proposal: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Rwanda	MoE	AFB/PPRC.30/40	4,998,812			Approve	4,998,812

<b>Sub-total, USD</b>				<b>4,998,812</b>	-	-		<b>4,998,812</b>
<b>10. Concept: Enhanced Direct Access</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>NIE</b>								
	Peru	PROFONANPE	AFB/PPRC.30/41	5,000,000			Endorse	-
<b>Sub-total, USD</b>				<b>5,000,000</b>	-	-		-
<b>TOTAL (9+10)</b>				<b>9,998,812</b>	-	-		<b>4,998,812</b>
<b>11. Full Proposals Single Country: Large Innovation Projects</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>MIE</b>								
	Viet Nam	IFAD	AFB/PPRC.30/43			5,000,000	Not approve	0
<b>Sub-total, USD</b>				-	-	<b>5,000,000</b>		-
<b>12. Concepts Single Country: Large Innovation Projects</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>NIE</b>								
	Chile	AGCID	AFB/PPRC.30/44	5,000,000			Not endorse	-
<b>MIE</b>								
	Bhutan	WFP	AFB/PPRC.30/45			4,978,034	Endorse	-
<b>Sub-total, USD</b>				<b>5,000,000</b>	-	<b>4,978,034</b>		-
<b>13. Project Formulation Grants (PFG) Single Concept: Large Innovation Projects</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>NIE funding, USD</b>	<b>RIE funding, USD</b>	<b>MIE funding, USD</b>	<b>Decision</b>	<b>Funding set aside, USD</b>
<b>NIE</b>								
	Chile	AGCID	AFB/PPRC.30/44/Add.1	50,000			Not approve	0
<b>Sub-total, USD</b>				<b>50,000</b>	-	-		-

14. Concepts Regional: Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Kenya, Uganda	UNIDO	AFB/PPRC.30/46			5,000,000	Endorse	-
<b>Sub-total, USD</b>				-	-	<b>5,000,000</b>		-
15. Project Formulation Grants (PGF) Regional Concepts: Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Kenya, Uganda	UNIDO	AFB/PPRC.30/46/Add.1			30,000	Approve	30,000
<b>Sub-total, USD</b>				-	-	<b>30,000</b>		<b>30,000</b>
<b>TOTAL (11+12+13+14+15)</b>				<b>5,050,000</b>	-	<b>15,008,034</b>		<b>30,000</b>
16. Innovation Small Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Chile (1)	AGCID	AFB/PPRC.30/48	247,200			<i>Not approve</i>	0
	Chile (2)	AGCID	AFB/PPRC.30/49	249,900			<i>Not approve</i>	0
	Chile (3)	AGCID	AFB/PPRC.30/50	250,000			<i>Not approve</i>	0
	Indonesia	Kemitraan	AFB/PPRC.30/51	250,000			<i>Not approve</i>	0
	Senegal	CSE	AFB/PPRC.30/52	248,319			<i>Not approve</i>	0
<b>Sub-total, USD</b>				<b>1,245,419</b>	-	-		-
<b>GRAND TOTAL (1+2+3+4+5+6+7+8+9+10+11+12+13+14+15+16)</b>				<b>81,813,849.59</b>	<b>19,844,000</b>	<b>146,161,800</b>		<b>36,779,667</b>

## ANNEX IV

## REVISED APPROVED AF-TERG BUDGET FOR FISCAL YEAR 2023

All amounts in US\$	<u>FY23 Approved revised</u>	<u>(Proposed revision to FY23)</u>	<u>FY23 Approved revised</u>	<u>FY24 Approved</u>
<b><u>MANAGEMENT COMPONENT</u></b>				
<b>PERSONNEL COMPONENT</b>				
01 Personnel - Staff (AF-TERG Secretariat Coordinator / Evaluation Officer)				
02 Personnel - Office support (STC)				
03 Personnel - Consultant (TERG members)				
<b>SUB-TOTAL PERSONNEL COMPONENT</b>	<b>457,552</b>	<b>155,000</b>	<b>612,552</b>	<b>466,396</b>
<b>TRAVEL COMPONENT</b>				
01 Staff members	33,220		33,220	34,217
02 TERG members	75,523		75,523	77,789
<b>SUB-TOTAL TRAVEL COMPONENT</b>	<b>108,744</b>		<b>108,744</b>	<b>112,006</b>
<b>GENERAL OPERATIONS COMPONENT</b>				
01 Office space, equipment and supplies	51,982		51,982	52,600
02 Publications, outreach	63,018		63,018	64,279
<b>SUB-TOTAL GENERAL OPERATIONS COMPONENT</b>	<b>115,000</b>		<b>115,000</b>	<b>116,879</b>
<b>MEETINGS COMPONENT</b>				
01 Logistics	10,200		10,200	10,404
<b>SUB-TOTAL MEETINGS COMPONENT</b>	<b>10,200</b>		<b>10,200</b>	<b>10,404</b>
<b>SUB-TOTAL MANAGEMENT COMPONENT</b>	<b>691,496</b>	<b>155,000</b>	<b>846,496</b>	<b>705,684</b>
<b><u>EVALUATION COMPONENT</u></b>				
<b>SUB-TOTAL EVALUATION COMPONENT</b>	<b>638,469</b>		<b>638,469</b>	<b>630,729</b>
<b>TOTAL AF-TERG AND ITS SECRETARIAT</b>	<b>1,329,965</b>	<b>155,000</b>	<b>1,484,965</b>	<b>1,336,413</b>

**ANNEX V****DIALOGUE WITH CIVIL SOCIETY, 13 OCTOBER 2022, BONN, GERMANY**

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. The paper entitled “Results of the evaluation of the further institutionalization of the AF CSO Network”, by Ngoni S. Nsana, an independent evaluator from Zambia, which could not be presented orally owing to a poor connection, is set out in the appendix to the present annex.
3. Ms. Julia Grimm, a policy advisor for climate finance and adaptation at Germanwatch, presented [“An analysis of barriers for local private sector engagement in multilateral climate funds’ adaptation projects – results and recommendations for the Adaptation Fund”](#).
4. Ms. Grimm spoke about directly and indirectly mobilizing private adaptation finance and the reluctance of the private sector to invest in adaptation actions. Her organization’s analysis had identified ways to indirectly mobilize investments by micro, small and medium-sized enterprises in developing countries through a better understanding of the barriers to private sector engagement. Approximately half of the Fund’s projects did not address any of the barriers identified, while most that did targeted only one of them or only did so to a limited extent; 58 per cent did not consider the private sector as a target group; 60 per cent did not consider the private sector as beneficiary and 64 per cent did not consult the private sector during project development. While theoretically private entities could implement or execute projects, no such cases had been identified, and missed opportunities for indirectly mobilizing investments by local private actors had been observed in adaptation infrastructure projects and livelihood diversification projects. Private sector mobilisation should, however, be a means to improve resilience and not an end in itself, as it was not feasible in all situations. The public sector still needed to protect vulnerable populations when the market failed to do so. Weak local markets and lack of market access impeded private sector engagement, which was especially true when projects addressed the adaptation needs of particularly vulnerable populations. While the Fund did not focus on the private sector, it did have projects that addressed barriers to private sector engagement and might still leverage private investment.
5. Subsequently, responding to questions, Ms. Grimm added that, despite a willingness to involve the private sector, doing so had been difficult for developing countries; however, the private sector need not only implement or co-finance projects, it could also act over the longer term after project completion to support adaptation actions. She therefore suggested that the Adaptation Fund continue to pursue the niche of long-term informal investment. The private sector had to adapt to the effects of climate change and could benefit from the knowledge and information generated by investing in action to address climate change. She also noted that the report contained several examples of best practices for addressing positive externalities. Furthermore, she noted that private sector involvement often involved farmers and fishers, and agreed that even though projects were country driven, proponents should reflect on how those informal private sectors could participate in projects.
6. The Chair thanked Ms. Grimm for her presentation and recommendations and recalled that the Board would be discussing the participation of civil society in the work of the Board under agenda item 10 (b).