



ADAPTATION FUND

AFB/B.40/7  
11 March 2023

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Adaptation Fund Board  
Fortieth meeting  
Bonn, Germany, 23-24 March 2023

Agenda item 11 b)

**OPTIONS FOR GUIDELINES TO FURTHER ENHANCE  
CIVIL SOCIETY PARTICIPATION AND ENGAGEMENT IN  
THE WORK OF THE FUND**

## Background

1. The Adaptation Fund (the Fund) has recognized the importance of its engagement with civil society as well as contributions of civil society to the Fund's work. While several aspects of the Fund's engagement with civil society have been considered best practice, the Board acknowledged, at its thirty-third meeting, the importance of further enhancing the participation of civil society in the work of the Board.

2. The Board, at its thirty-third meeting, decided to request the secretariat:

*(a) To explore, in consultation with civil society and drawing lessons from other climate funds, options to further enhance civil society participation and engagement in the work of the Board; and*

*(b) To prepare a document and submit it to the Board for consideration at the thirty-fourth meeting.*

*(Decision B.33/54)*

3. Pursuant to Decision B.33/54, the secretariat presented document AFB/B.34/11 to the Board at its thirty-fourth meeting, which contains potential options for the Board to enhance civil society participation and engagement in the work of the Board considering the current practices of the Board, the practices of other climate funds, the observations and recommendations that had been received from the *Adaptation Fund NGO Network*<sup>1</sup> and their financial, operational and legal implications of the potential options. The recommendations from the Adaptation Fund NGO Network were initially conveyed to the Board during the bilateral meeting between the two parties that took place in the margin of the thirty-fourth meeting of the Board. Later, in February 2020, the Adaptation Fund NGO Network officially published the briefing paper "*AF NGO Network recommendations: Further strengthening civil society engagement in the work of the Adaptation Fund Board*"<sup>2</sup>. Since then, the Board discussions on the matter have proceeded with consideration of the recommendations from the AF NGO network.

4. At the thirty-fourth meeting, the Board had a limited time to discuss the information presented in document AFB/B.34/11 and decided:

*(a) To provide the secretariat with comments on the options provided in document AFB/B.34/11 during the intersessional period between its thirty-fourth and thirty-fifth meetings; and*

*(b) To request the secretariat to present a document which compiles comments and input received from the Board to the thirty-fifth meeting of the Board for consideration.*

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<sup>1</sup> The Adaptation Fund (AF) NGO Network announced the change of its organizational name to the "Adaptation Fund (AF) Civil Society Network", through its [Draft Governance Arrangements](#) issued on 19 October 2021.

<sup>2</sup> <https://www.af-network.org/5453>

(Decision B.34/51)

5. Pursuant to Decision B.34/51, the secretariat prepared and circulated a survey on the subject matter to the Board during the intersessional period between its thirty-fourth and thirty-fifth meetings. The secretariat presented a document containing a compilation of responses and comments collected by the survey.

6. Due to the limited time and opportunities to exchange on complex topics in Board meetings organized virtually during the COVID-19 pandemic, this agenda item was not taken up at the first and second sessions of the thirty-fifth meeting of the Board and was presented at the thirty-sixth meeting instead.

7. At its thirty-sixth meeting, the Board discussed the initial survey results presented in document AFB/B.36/7 and decided to request the secretariat:

*(a) To resubmit the initial survey including the updated questions among the Board members and alternates, during the intersessional period between its thirty-sixth and thirty-seventh meetings, which reflect the Board's discussions held at its thirty-sixth meeting, including on the need of defining civil society organizations;*

*(b) To conduct a study on the need for a policy for civil society engagement with the Adaptation Fund, taking into account the practices and policies of other climate funds;*

*(c) To present a document containing the outcome of the work as referred to in subparagraphs (a) and (b) above for the Board's consideration at its thirty-seventh meeting.*

(Decision B.36/44)

8. Pursuant to Decision B.36/44, the secretariat prepared and circulated the second round of the survey on the subject matter to the Board during the intersessional period between its thirty-sixth and thirty-seventh meetings. The secretariat also conducted the study on the need for a policy for civil society engagement with the Fund. At the twenty-seventh meeting of the Board, the secretariat presented the results and analysis of the second round of the Board survey and the study on the need for a policy for civil society engagement with the Fund, taking into account the practices and policies of other climate funds.

9. At its thirty-seventh meeting, the Board considered options to further enhance civil society participation and engagement based on the results of the Board survey and the study on the need for a policy for civil society engagement presented in document AFB/B.37/8 and decided:

*(a) To request the secretariat, with a view to enhancing the Adaptation Fund's collaboration with civil society:*

- (i) *To continue engaging with civil society and other stakeholders for their active contribution to the process of reviewing the existing and emerging policies and procedures of the Adaptation Fund (the Fund);*
  - (ii) *To create a dedicated section on the Fund's website related to the Fund's engagement with stakeholders, including civil society, and update it as the discussions on stakeholder engagement evolve;*
  - (iii) *To invite civil society members to the Fund's readiness workshops and webinars and consider organizing a session dedicated to civil society engagement, as appropriate and within budget;*
- (b) *To request the secretariat to prepare a draft outline of a policy or guidelines on civil society engagement, taking into account the findings of the survey results and the study on the need for the policy, as contained in document AFB/B.37/8, as well as the Board's discussions at its thirty-seventh meeting, and to present it for the Board's consideration at its thirty-eighth meeting.*

*(Decision B.37/42)*

10. Pursuant to Decision B.37/42, the secretariat prepared the draft outline of guidelines on civil society engagement considering items recommended by the AF Civil Society Network that received majority support and divided opinions in the Board survey and are implementable without amending the Rules of Procedure. The secretariat also compiled items recommended by the AF Civil Society Network that received majority opposition and divided opinions in the Board survey and are not implementable without amending the Rules of Procedure.

11. At its thirty-ninth meeting, the Board considered the draft outline of guidelines and other information presented in document AFB/B.39/8 and 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)*

12. In this document, the secretariat presents, for the Board's consideration, a draft *Adaptation Fund vision and guidelines for enhanced civil society engagement* and a compilation of remaining elements recommended by the Adaptation Fund Civil Society Network that were not included in the draft outline of guidelines submitted to the Board at the thirty-ninth meeting.

**Draft “Adaptation Fund vision and guidelines for enhanced civil society engagement”**

13. In line with Document AFB/B.39/8, the rationale and objective for developing a vision and guidelines for civil society engagement is to:

- (a) set a clearer vision and reinforce the Fund’s continued commitment to civil society engagement;
- (b) provide an opportunity for the Fund to streamline in a consistent and comprehensive manner the existing policies and practices together and add new elements that are decided by the Board based on the recommendations by the AF CSO Network;
- (c) increase the visibility and communication of the Fund’s commitment and practices on civil society engagement;
- (d) provide the possibility to review and update it when needs arise to stay aligned with international best practices; and
- (e) further define civil society in the work of the Fund.

14. The outline of the draft “Adaptation Fund vision and guidelines for enhance civil society engagement”, which was approved by the Board at its thirty-ninth meeting in Decision AFB.39/64 is as presented in **Table 1** below.

15. Accordingly, the secretariat drafted the Vision and Guidelines as presented in the **Annex** to this document for the Board’s consideration.

**Table 1.** Outline of the “Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement”, approved by the Board at AFB.39

<p><u>Overview</u></p> <ul style="list-style-type: none"> <li>• Vision, principles and objectives <ul style="list-style-type: none"> <li>- Formulate a vision statement based on the Fund’s mandate and relevant CMP/CMA decisions, Board decisions, and the MTS</li> <li>- Formulate principles and objectives for civil society engagement with the Fund on all levels</li> </ul> </li> <li>• [New element proposed by civil society] Engaging for active contribution of civil society and other stakeholders to the process of reviewing the existing and emerging policies and procedures of the Fund (Approved by decision B.37/42)</li> <li>• [New element proposed by civil society] Develop a definition of civil society</li> <li>• [New element proposed by civil society] Engaging with other stakeholders such as private sector</li> </ul> <p><u>Civil society engagement in the work of the Board</u></p>
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## a) Observer participation in Board meetings

- Existing process and guidelines in line with [Rules of Procedure \(incl. paras 31 – 34 on observers, incl. roles and responsibilities of observers\)](#)
- Dialogue with civil society: Organization of the dialogue with civil society as a standing agenda at each Board meeting (Existing practice to be codified)
- Closed meetings: Process and guidelines based on the Fund's Open Information Policy and Rules of Procedure of the Board (paras. 19 – 20)
  - [\[New element proposed by civil society\] More explicit disclosure of reasons for closed sessions](#)

## b) Transparency of Board proceedings

- *Existing practice: Documents posted on Fund's website and livestreaming of Board meetings*
- *Existing practice: Retention of written records of the Board and recordings of proceedings (Rules of Procedure, para. 25)*
- [\[New element proposed by civil society\] Recording and archiving of the Board meetings on the Fund's website](#)

Participation in other decision-making processes of the Board

- Intersessional decisions: outline current practice
- Civil society engagement in policy development and review through stakeholder consultation processes (e.g., MTS I and MTS II)

Civil society engagement in the design and implementation of AF projects and programmes

- Existing policies and practices in line with the Fund's *Operational Policies and Guidelines (OPG)*, *Environmental and Social Policy (ESP)* and *Gender Policy (GP)*
  - Providing facilities that will enable interested stakeholders to publicly submit comments about proposals" (*Operational Policies and Guidelines*, paragraph 89)
  - Fund's Ad Hoc Complaint Handling Mechanism (ACHM)
- [\[New element proposed by civil society\] Summary of project proposals in the respective countries' official languages](#)
- [\[New element proposed by civil society\] Inviting civil society members to the Fund's readiness workshops and including a session dedicated to civil society engagement in the Fund's readiness workshops and webinars \(Approved by decision B.37/42\)](#)

Enhanced communication

- *[New element proposed by civil society]* Creating a dedicated section related to the Fund’s engagement with civil society on the Fund’s website (Approved by decision B.37/42)
- *[New element proposed by civil society]* Provision of country-specific information on the Fund’s website

## Medium-Term Strategy 2023 – 2027 as a basis for a new vision and guidelines for civil society engagement

16. The Fund’s second Medium-Term Strategy for the period 2023 to 2027 (MTS 2023 – 2027), adopted in Decision B.39/61 sets out the Fund’s aspiration to further enhance the engagement of civil society and other stakeholders in the work of the Fund on all levels and across the three strategic focus areas of action, innovation and learning and sharing. The Fund’s vision is that “developing country Parties are successfully enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change through inclusive and transparent processes consistent with their adaptation needs and priorities under the Paris Agreement.” To ensure the delivery of AF resources through such inclusive and transparent processes, the MTS defines six crosscutting themes to guide all of the Fund’s activities. Different aspects of civil society engagement across the Fund’s processes have been included in the six cross-cutting themes:

**Table 2:** *Enhancing civil society and stakeholder engagement in the MTS 2023 – 2027 Six Crosscutting Themes*

MTS 2023 – 2027 Crosscutting Themes	Relevance for civil society and stakeholder engagement
Promoting locally based and locally led adaptation	The Fund will continue to support concrete adaptation projects and programmes that meaningfully involve and deliver benefits to local actors and vulnerable communities, including civil society and other stakeholders, and will further enhance its support for locally led and locally based adaptation.
Enhancing access to climate finance and long-term institutional capacity	In addition to the dedicated readiness and capacity support, all of the Fund’s activities contribute to long-term institutional and technical capacity of developing countries to access and manage resources through inclusive and transparent that comply with the Fund’s environmental and social safeguards and gender policies. Additional capacity building under this crosscutting theme is expected to help unlock the potential of locally led adaptation and stakeholder engagement in project design and implementation.  The vision of the Fund’s innovation facility is to support projects and programmes that encourage multi-stakeholder partnerships by including e.g., youth, women, disabled people, researchers, civil society, and the private sector. It encourages

MTS 2023 – 2027 Crosscutting Themes	Relevance for civil society and stakeholder engagement
	access to innovation grants, including by such non-accredited actors.
Empowering and benefitting the most vulnerable people and communities as agents of change	The new MTS highlights the important and active role that beneficiaries and affected communities play for shaping project outcomes and transformative change on the ground. AF-funded projects that have successfully supported locally led adaptation, are designed to empower vulnerable and/or marginalized groups such as women or indigenous peoples as active leaders in their communities.
Advancing gender equality	The Fund remains committed to working within its operational framework and with its partners and various stakeholders to uphold the human rights of everyone, regardless of their gender, and to contribute to gender equality and the empowerment of women and girls.
Encouraging the scaling and replication of results	The Fund will explore opportunities to expand the range of stakeholders that may scale up AF projects, and to take steps towards being more proactive towards scaling up, upstream in the project design process.
Strengthening complementarity and coherence, and synergies, with other adaptation funders and actors:	Under the second MTS, the Fund will continue to strengthen complementarity and coherence with other climate funds and UNFCCC bodies across strategic pillars and Fund operations, and will further explore synergies and partnerships with other adaptation funders, actors and initiatives, including civil society and the private sector.

17. The Board is invited to provide comments on the draft *Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement* contained in Annex 1 to this document if any.

### **Compilation of remaining elements recommended by the Adaptation Fund Civil Society Network for the Board’s consideration**

18. In addition to the elements that have been included in the outline of the draft vision and guidelines, there are six remaining elements for the Board’s consideration. The secretariat compiled those six elements with the respective implications in Annex 2 to this document and summarized the secretariat proposals for those elements in Table 3.

19. The Board is invited to consider the information on the six remaining items that have been recommended by the AF Civil Society Network including their implications as well as the secretariat’s proposal and decide whether or not (and how) to include those in the outline of the *Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement*. The secretariat’s proposal is to incorporate the elements of items (2), (3) and (6) in the *Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement* as presented in Table 3. Items (1), (4) and (5) are all related to the “elected active civil society observer”. Establishment of this new observer



status requires an amendment to the *Rules of Procedure*, which requires the approval of CMP and/or CMA. These items cannot be included in the *Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement* until then. Also, the operation of this new observer status will likely require the setting of various rules. The Board is invited to consider whether or not it is preferable to establish the “elected active civil society observer” status at this meeting and appropriate follow-up actions for items (1), (4) and (5) together with other related elements that are not specifically covered by (1), (4) and (5) but are deemed necessary to consider before adopting this new observer status.

**Table 3.** Six remaining recommendations by the AF Civil Society Network and the secretariat’s proposal

	Recommendations by AF Civil Society Network	Secretariat’s proposal
(2)	Establishing the Fund’s own observer accreditation process	Use the UNFCCC’s observer accreditation list for the Board meeting admission (Status quo)
(3)	Solicitation of stakeholder input on (re-)accreditation	Not to solicit stakeholder input on accreditation applicants in line with the Open Information Policy (Status quo)
(6)	Solicitation of stakeholder input for intersessional decision-making	<ul style="list-style-type: none"> <li>- Maintain the current practice of the intersessional decision-making (Status quo); and</li> <li>- Request the secretariat to notify representatives of civil society whenever intersessional documents are posted.</li> </ul>
<u>Items related to “active civil society observers”</u>		
(1)	Establishing the status of the elected active civil society observers	Invite the Board to consider whether or not it is preferable to establish the “elected active civil society observer” status, and appropriate follow-up action.
(4)	Allowing the active civil society observers to attend closed meetings	
(5)	Allocation of travel budgets for the active civil society observers to participate in the Board meetings	

**Recommendation**

20. Having considered the information contained in document AFB/B.40/7, the Adaptation Fund Board (the Board) decides:

- (a) To request the secretariat to update the draft *Adaptation Fund Vision and Guidelines on Enhanced Civil Society Engagement* set out in Annex 1 to document AFB/B.40/7, based on the Board's discussions held at the fortieth meeting, including the remaining recommended items by the Adaptation Fund Civil Society Network;

Option 1:

- (b) [Not to establish an active civil society observer status;
- (c) To present the updated draft *Adaptation Fund Vision and Guidelines on Enhanced Civil Society Engagement* for the Board's consideration at its forty-first meeting.]

Option 2:

- (b) [To request the secretariat to prepare a draft guideline to establish the "elected active civil society observer" status, taking into account practices of other climate funds;
- (c) To present documents mentioned in subparagraphs (a) and (b) for the Board's consideration at its forty-first meeting.]

## Annex 1

### (Draft) Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement

\*New elements are presented in blue. Others are existing policies.

#### Overview

1. This document outlines a vision and guidelines for enhanced civil society engagement for the Adaptation Fund (the Fund) based on the Fund's mandate and existing policies and practices, including the Fund's Operational Policies and Guidelines, and in line with the Fund's overall strategic vision, as outlined in the Medium-Term Strategy (2023-2027) and other relevant strategies.

2. **Mandate:** The Adaptation Fund's mandate is to assist developing country Parties to the Kyoto Protocol and/or the Paris Agreement that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation and to finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of eligible Parties.

3. **Mission:** Based on its mandate, the Adaptation Fund's mission under its Medium-Term Strategy (2023-2027) is to serve the Paris Agreement by accelerating effective adaptation action and efficient access to finance, including through direct access, to respond to the urgent needs and priorities of developing countries. The Fund does so by supporting country-driven adaptation projects and programmes, innovation, and learning with concrete results at the local level that can be scaled up. All of the Fund's activities are designed to promote locally based or locally led action, enhance access to climate finance and long-term institutional capacities, empower and benefit the most vulnerable people and communities as agents of change, advance gender equality, encourage and enable the scaling and replication of results, and strengthen complementarity, coherence and synergies with other adaptation funders and actors.

#### *Vision, principles and objectives*

4. **Vision statement for civil society engagement:** The Adaptation Fund recognizes the critical role that civil society and other non-state actors play in supporting and enhancing adaptation efforts, particularly in marginalized and vulnerable communities. Effective adaptation requires active engagement with a wide range of stakeholders, including civil society, through inclusive, transparent and efficient processes to support activities that produce tangible results, foster innovation and promote knowledge sharing. Therefore, the Fund's vision is to engage civil society actors and other stakeholders in its work to achieve its mission of supporting concrete adaptation projects and programmes in developing countries and its mission of accelerating effective adaptation action and efficient access to finance, including through direct access.

5. Principles: Civil society actors are key partners of the Adaptation Fund at all levels of the Fund's decision-making and operations. This includes the participation of civil society representatives as observers in Board meetings, the contribution of civil society actors to the development of Fund-level policies, strategies, and resource mobilization, and the inclusive participation of civil society and other stakeholders as part of stakeholder consultations in the AF project lifecycle from planning and implementation to evaluation and learning. The Fund's policies and practices for engaging civil society reflect a commitment to meaningful participation, inclusiveness, transparency, accountability, respect for human rights, gender mainstreaming, and a focus on the most vulnerable communities and groups as agents of change. The Fund seeks to engage with a broad range of civil society organizations, and to ensure that diverse perspectives and priorities are reflected in its decision-making and operational processes.

6. Objectives: With these vision and guidelines, the Fund aims to take actions to further enhance collaboration with not only civil society but also wide stakeholders, such as the private sector, by building on the Fund's existing policies and practices. The objective of the vision and guidelines for civil society engagement is to:

- (a) set a clear vision and reinforce the Fund's continued commitment to civil society engagement;
- (b) streamline in a consistent and comprehensive manner the existing policies and practices together and add new elements that are decided by the Board based on the recommendations by civil society and other stakeholders;
- (c) increase the visibility and communication of the Fund's commitment and practices on civil society engagement;
- (d) provide the possibility to review and update the Fund's policies and practices on civil society engagement when needs arise to stay aligned with international best practices; and
- (e) further define civil society in the work of the Fund.

#### *Definition of civil society*

7. In the work of the Adaptation Fund, civil society refers to a diverse set of actors that includes non-governmental organizations (NGOs), community-based organizations (CBOs), research and academic organizations, women's groups, indigenous peoples' organizations, and other non-state actors. These organizations may be local, national, regional, or international in scope. In line with the Fund's Rules of Procedure, those civil society organizations that are UNFCCC accredited observers can attend meetings of the Board as observers.

8. While the private sector can play a role in financing and implementing climate adaptation projects, it is not typically considered to be part of the civil society sector. The private sector can engage with and support civil society organizations in their efforts to address climate change, and partnerships between the private sector and civil society can be an effective way to mobilize resources and build capacities for adaptation.

9. The Fund's Operational Policies and Guidelines distinguishes the types of organizations that can implement and execute projects with funding from the Fund, as implementing entities and executing entities, respectively. It is important to note that while civil society organizations can become accredited as implementing entities and/or involved in the execution of projects and programmes as executing entities, taking either of those two roles comes to prevail in how the Fund defines its relationship with them, and such organization is not considered to represent civil society during their engagement in either role.

*Engaging for active contribution of civil society and other stakeholders, including private sector*

10. With a view to enhancing the Fund's collaboration with civil society, the Fund will continue engaging with civil society and other stakeholders for their active contribution to such as the process of reviewing the existing and emerging policies and procedures of the Fund.<sup>3</sup>

### **Civil society engagement in Board meetings**

#### *Observer participation in Board meetings*

9. Unless the Board decides otherwise in accordance with paragraph 20 of [Rules of Procedure \(the RoP\)](#), meetings shall be open to members, alternates and observers as referred to in paragraphs 31–32 of the RoP. Observers refer to, except where otherwise decided by the Board, to representatives of UNFCCC Parties, the UNFCCC secretariat and UNFCCC accredited observers.<sup>4</sup> Observers shall inform the secretariat of the composition of their delegation four weeks prior to the first day of any scheduled meeting<sup>5</sup>. Such observers may attend without the right to vote.<sup>6</sup>

10. The secretariat shall, upon the request of the Board, notify any individual or entity, whether national or international, governmental or non-governmental, qualified in a field related to the work of the Fund, of any meeting so that it may be represented by an observer.<sup>7</sup>

11. Observers may, upon the invitation of the Chair and if there is no objection from any of the members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency, which they represent.<sup>8</sup> Observers may, upon invitation of the Chair and if there is no objection from the members present, make presentations relating to matters under consideration by the Board.<sup>9</sup>

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<sup>3</sup> Decision B.37/42

<sup>4</sup> Rules of Procedure of the Adaptation Fund Board (RoP), para. 31.

<sup>5</sup> RoP, para. 19.

<sup>6</sup> RoP, para. 31.

<sup>7</sup> RoP, para. 32

<sup>8</sup> RoP, para. 34

<sup>9</sup> RoP, para. 35

*Dialogue with civil society*

12. The Board organizes a dialogue with civil society at every Board meeting as a standing agenda unless there is a compelling reason not to do so.

13. Representatives of civil society propose an agenda of the dialogue to the secretariat prior to the Board meeting. Representatives of civil society coordinates speakers and resource persons for the session and their participation in the session during the Board meeting.

*Transparency of Board proceedings*

14. The secretariat shall make the necessary arrangements for the meetings of the Board, including ensuring that announcements of the meetings are posted on the Adaptation Fund and UNFCCC websites, issuing invitations, preparing meeting documents and the final report, which will include decisions of the meeting, and shall post all documents on the website of the Adaptation Fund.<sup>10</sup>

15. Any written records of the Board or recordings of proceedings shall be kept by the secretariat on behalf of the Board in accordance with paragraph 17 (c) and applicable rules and regulations. The secretariat shall make available to any Board member or alternate, at his or her request, copies of any records or recordings kept by the secretariat on behalf of the Board.<sup>11</sup>

*Recording and archiving of the Board meetings on the Fund's website*

16. The secretariat makes available to observers a webcast of open sessions for the Board proceedings and archive the recorded proceedings on a web-based platform.

*Closed meetings*

17. The Fund is committed to open access to information, and the Fund's Board overall approach is therefore to disclose information unless there is a compelling reason for confidentiality.<sup>12</sup> Five main criteria for exclusion from information disclosure is as specified in paragraphs 3, 6-10 of the Fund's Open Information Policy.

18. The Board may declare any of its meetings, or segments thereof, closed; these shall then be open to members, alternates and the representatives of the secretariat and the trustee. The Board may invite any of the representatives referred to in paragraphs 31–32 of the RoP to attend such meetings.<sup>13</sup>

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<sup>10</sup> RoP, para. 17 (a)

<sup>11</sup> RoP, para. 25

<sup>12</sup> Open Information Policy, para. 1 and 2

<sup>13</sup> RoP, para. 20

*Disclosure of reasons for closed sessions*

19. The Board shall disclose reasons for closed session to observers explicitly to help observers better understand the rationale behind the need of the closed session and reaffirm the need.

**Participation in other decision-making processes of the Board***Intersessional decisions*

22. Decisions without meetings may occur on an extraordinary basis when, in the judgement of the Chair and the Vice-Chair, a decision must be taken by the Board that should not be postponed until the next meeting of the Board. The secretariat, with the approval of the Chair, shall transmit to each member and alternate a proposed decision with an invitation to approve the decision on a no-objection basis.<sup>14</sup>

23. Each member's comments on the proposed decision shall be sent to the secretariat during such period as the secretariat may prescribe, provided that such period is no less than two weeks.<sup>15</sup>

24. At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the members. If there is an objection raised by any member to any proposed decision that cannot be resolved, the Chair shall include consideration of the proposed decision as an item on the agenda for the next meeting.<sup>16</sup>

25. Any intersessional decision shall be deemed to have been taken at the headquarters of the UNFCCC secretariat. The secretariat shall inform members and alternates about the decision and post all intersessional decisions on the Adaptation Fund website.<sup>17</sup>

*Civil society engagement in development of the Fund's policies*

26. All policy documents and guidelines under Board discussions should be published on the website for public comments, and the Board should consider the public comments before adopting such policies and guidelines.

**Civil society engagement in the design and implementation of the Fund's projects and programmes**

27. All projects/programmes supported by the Fund have to comply with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), which provide a framework for

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<sup>14</sup> RoP, para. 56

<sup>15</sup> RoP, para. 57

<sup>16</sup> RoP, para. 58

<sup>17</sup> RoP, para. 59

engaging civil society and other stakeholders in the design, implementation and monitoring and evaluation of AF-funded projects.

28. All project proposals submitted will be posted on the website of the Adaptation Fund. The Secretariat will provide facilities that will enable interested stakeholders to publicly submit comments about proposals.<sup>18</sup>

29. Members of civil society can submit comments about the submitted proposals and the Fund's projects and programmes under implementation in line with the *Operational Policies and Guidelines (OPG)*, [Environmental and Social Policy \(ESP\)](#) and [Gender Policy \(GP\)](#).

#### *Summary of project proposals*

30. The project/programme proponent submits a concept/fully-developed document based on a template approved by the Board.<sup>19</sup>

31. In the concept and fully-developed document, the project/programme proponent should include a summary of the project proposal in the respective countries' official languages spoken in the geographic area where project activities are undertaken or where their impacts are experienced, for wider dissemination of the information to local communities and stakeholders.

#### *Innovation facility*

32. The Adaptation Fund Climate Innovation Accelerator, or AFCIA, aims to foster innovation in climate change adaptation in developing countries. The programme targets a broad range of potential finance recipients, including governments, non-governmental organizations, community groups, entrepreneurs, young innovators and other groups. Civil society actors are welcome to apply for this funding window.

#### *Locally led adaptation*

33. The Fund supports locally led adaptation and continues to develop further funding modalities based on its experience with the Enhanced Direct Access modality and the AFCIA window with the aim of allowing civil society actors to apply for micro-grants for locally led adaptation.

#### *Fund's Ad Hoc Complaint Handling Mechanism (ACHM)*

34. Any individual, or their representative(s), living in an area where impacts of a Fund supported project may occur, can bring a written complaint forward to the secretariat.<sup>20</sup>

35. Members of civil society can submit a complaint against projects and programmes funded by the Fund following the ACHM.

<sup>18</sup> [Operational Policies and Guidelines \(OPGs\)](#), para. 85

<sup>19</sup> OPGs, para. 47. (a)

<sup>20</sup> [Ad hoc complain handling mechanism \(ACHM\)](#), para. 20



*Civil society engagement in the Fund's readiness activities*

36. The Fund should invite members of civil society to the Fund's readiness workshops and webinars and consider organizing a session dedicated to civil society engagement as appropriate and within budget.<sup>21</sup>

**Enhanced communication***Civil society on the Fund's website*

37. The Fund website will have a dedicated section on the Fund's website related to the Fund's engagement with stakeholders, including civil society, and update it as the discussions on stakeholder engagement evolve.<sup>22</sup>

*Provision of country-specific information on the Fund's website*

38. The website is to be user-friendly and abreast with the needs of users including civil society. The usability of the Fund's website will be reviewed periodically for improvement, including the form of the information dissemination concerning the country-driven process.

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<sup>21</sup> Decision B.37/42

<sup>22</sup> Decision B.37/42

## Annex 2

### Remaining elements recommended by the AF Civil Society Network and their respective implications

#### Recommendations from the AF CSO Network, which received “divided opinions” in the Board survey and that would require the amendment of the Rules of Procedure for their implementation

##### (1) Establishing the status of the elected active civil society observers

1. Section “VIII. Observers” of the Fund’s [Rules of procedure](#) (paragraph 31-34) defines observers of the Board meeting and sets out rules concerning the participation of observers in the proceedings of the Board. In the existing rule, the observers are representatives of UNFCCC Parties, the UNFCCC secretariat and UNFCCC accredited observers. There is no concept of the elected active civil society observers in the *Rules of Procedure*.

#### VIII. OBSERVERS

31. *Except where otherwise decided by the Board, meetings shall be open for attendance, as observers, to representatives of UNFCCC Parties, the UNFCCC secretariat and UNFCCC accredited observers. Such observers may attend without the right to vote.*

32. *The secretariat shall, upon the request of the Board, notify any individual or entity, whether national or international, governmental or non-governmental, qualified in a field related to the work of the Fund, of any meeting so that it may be represented by an observer.*

33. *Observers may, upon the invitation of the Chair and if there is no objection from any of the members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency, which they represent.*

34. *Observers may, upon invitation of the Chair and if there is no objection from the members present, make presentations relating to matters under consideration by the Board.*

2. If the Board wishes to establish the status of the elected active civil society observer, the Board would need to first amend the *Rules of Procedure* to define this new status, and the amendment of the Rules of Procedure requires an adoption by the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and/or Conference of Parties serving as the meeting of the Parties to the Paris Agreement (CMA) for its effectiveness, as per paragraph 64 of the Rules of Procedure:

#### XVIII. AMENDMENTS TO RULES OF PROCEDURE

64. *These rules of procedure may be amended according to paragraphs 44–51 above and, to be effective, must be formally approved by the CMP.*

3. In addition, guidelines for the active observers would need be developed to set out detailed arrangements for this new status in the Board meeting such as the number of the active observers, its election process and responsibilities.

(2) Establishing the Fund's own observer accreditation process

4. The *Rules of Procedure* (para. 31) prescribes that "observers are representatives of UNFCCC Parties, the UNFCCC secretariat and UNFCCC accredited observers". Under this rule, the Fund has allowed observers to attend the Board meeting, who are from organizations that are included in the list of the UNFCCC accredited observers. Therefore, entities that wish to attend the Board meeting as observer must apply for the UNFCCC's observer accreditation. This item was recommended by the AF Civil Society Network on the premise that the current UNFCCC's observer accreditation process is time-consuming and the Fund's own observer accreditation process would be less time-consuming if it would be established.

### VIII. OBSERVERS

*31. Except where otherwise decided by the Board, meetings shall be open for attendance, as observers, to representatives of UNFCCC Parties, the UNFCCC secretariat and UNFCCC accredited observers. Such observers may attend without the right to vote.*

5. The GCF has its own observer accreditation process<sup>23</sup>, and its accreditation criteria<sup>24</sup> appear to focus on GCF's organizational benefits of accrediting applicant entities while the process for the UNFCCC<sup>25</sup> appears to focus on the fiduciary criteria. In the UNFCCC process, the secretariat admits observers based on the eligibility criteria. In the GCF process, on the other hand, the secretariat reviews the applications and recommends them for decisions by its Board. However, the differences in accreditation standards and processes are not the only factors that determine the time taken for accreditation, and there are other factors that may be more important than the efficiency of the accreditation process.

6. Regardless of what accreditation criteria would be, establishing an own observer accreditation process for the Fund would entail an establishment of its own accreditation criteria and team of technical experts and supporting staff that would engage in the observer accreditation process within the secretariat. This might come at a considerable cost. The secretariat proposes to maintain the status quo from a cost efficiency point of view, considering the relative size of the Fund compared to other two organizations. Implicit in the observation conveyed by the AF Civil Society Network, which lamented the UNFCCC observer accreditation process as being "complex and tedious", is that the Adaptation Fund process should be simpler. It is unclear what the practical implications of establishing such a parallel process would be, in terms of the objectives of the UNFCCC process and policy coherence.

<sup>23</sup> GCF "[Guidelines relating to the Observer participation, accreditation of Observer organizations and participation of active Observers](#)"

<sup>24</sup> GCF "[Invitation for the Twenty-ninth Round of Application for Accreditation as an Observer Organization to the Green Climate Fund](#)"

<sup>25</sup> [UNFCCC standard admission process for non-governmental organizations \(NGOs\)](#)

(3) Solicitation of stakeholder input on (re-)accreditation

7. The *Open Information Policy* (para. 3) sets out five main criteria for exclusion from information disclosure, and the information related to (re)accreditation is categorized as one of the five main criteria (International relations).

3. *The five main criteria for exclusion are as follows:*

- i. *International relations: Information that may harm the Fund's relations with other governments or institutions. This includes information received from or sent to third parties, under an expectation of confidentiality.*
- ii. *Security and safety: Information that may pose a risk to the security or safety of any individual, including, Board members and alternates and beneficiaries.*
- iii. *Personal information: Information that intrudes on the privacy of a person or could contravene confidentiality.*
- iv. *Commercially sensitive information: Information that does harm to the Fund or the Fund's partners or suppliers commercial interests.*
- v. *Information that is exempt from disclosure under other policies or regulations: This includes deliberative information.*

8. The *Open Information Policy* (para. 8) under the section of the *Exclusions from Disclosure* specifically prohibits the disclosure of a name of entities that have applied to the Fund's accreditation for implementing entity unless the entities are successfully accredited. Therefore, the solicitation of stakeholder input to entities on the (re-)accreditation process is not implementable under the current policy.

**8. *International Relations.*** *Specifically, as it relates to entities applying for accreditation to the Fund, these are kept anonymous until an entity has been accredited by the Board. As such, the name of the entity as well as all applications and corresponding supporting documentation are kept strictly confidential. The Accreditation Panel produces a report of every Panel meeting, including an assessment of the analysis of applications by applicant entities. Since the assessments contain sensitive information on an institution's fiduciary standards and institutions provide the Panel with confidential information such as internal audit reports the information remains confidential.*

9. The solicitation of stakeholder input on (re)accreditation would highly likely entail a disclosure of the name of the applicant entity for public comments which are confidential under the Fund's *Open Information Policy*. Disclosure of the name of the entity could be damaging for the reputation of the applicant entity as well as the country that nominated the entity if the accreditation application would not be successful. This operation would potentially undermine the Fund's relations with the applicant entity and its nominating country and discourage potential implementing entities to apply for the Fund's accreditation. In addition, under the principle of a country-driven process, a selection and nomination of (national and regional) entities for

accreditation with the Adaptation Fund lies with the respective governments' decisions. Noting that the solicitation of stakeholder input on a specific entity would cause a reputational risk to the entity and its country regardless of the stage of the accreditation process (e.g., before the government selection) that the entity goes through, the secretariat proposes to maintain the status quo and not to solicit stakeholder input on a specific entity for (re)accreditation.

Recommendations from the AF CSO Network, which received "majority opposition" in the Board survey

(4) Allowing the active civil society observers to attend closed meetings

10. The *Rules of Procedure* (para. 20) prescribes that the closed meetings and segments are to open only to members, alternates and the representatives of the secretariat and the trustee and observers are not allowed in closed meetings and segments of the Board proceedings.

*20. The Board may declare any of its meetings, or segments thereof, closed; these shall then be open to members, alternates and the representatives of the secretariat and the trustee. The Board may invite any of the representatives referred to in paragraphs 31–32 to attend such meetings.*

11. The Fund's *Open Information Policy* (para. 9) sets out that the proceedings are held in closed sessions for the Accreditation Panel, Ethics and Finance Committee, and Project and Programme Review Committee.

*9. Deliberative Information. The Fund, like any institution or group, needs space to consider and debate, away from public scrutiny. In practice, the Fund operates by consensus, and it needs room to develop that consensus. During the process it seeks, and takes into account, the input of many stakeholders; but it must preserve the integrity of its deliberative processes by facilitating and safeguarding the free and candid exchange of ideas. Therefore, while the Fund makes publicly available the decisions, results, and agreements that result from its deliberative processes, the proceedings are held in closed sessions for the following bodies: the Accreditation Panel, Ethics and Finance Committee, and Project and Programme Review Committee.*

12. The *Rules of Procedure* (para. 33-34) allows the participation of observers in any meetings of the Board proceedings (including closed meetings), but it is limited only to sessions and segments in matters of direct concern to the body or agency, which they represent.

*33. Observers may, upon the invitation of the Chair and if there is no objection from any of the members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency, which they represent.*

*34. Observers may, upon invitation of the Chair and if there is no objection from the members present, make presentations relating to matters under consideration by the Board."*

13. If the Board wishes to allow active civil society observers in closed sessions of the Board proceedings, the Board needs to first amend the *Rules of Procedure*, and the amendment of the Rules of Procedure requires an adoption by the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and/or Conference of Parties serving as the meeting of the Parties to the Paris Agreement (CMA) for its effectiveness, as per paragraph 64 of the Rules of Procedure.

14. In addition, the *Rules of Procedure* (paragraph 26-28) prescribes “confidentiality and conflict of interest” that prohibits the Board members and alternates to disclose confidential and/or proprietary information and requires the Board members and alternates to sign the written oath of service. If the Board decides to allow the active civil society observers to attend closed meetings, the active civil society observers would need to be required to abide by the rule like the Board members and alternates.

#### VII. CONFIDENTIALITY AND CONFLICT OF INTEREST

*26. Information obtained from Adaptation Fund project participants marked as proprietary and/or confidential shall not be disclosed without the written consent of the provider of the information, except as required by national law.*

*27. Members and alternates have a duty not to disclose such confidential and/or proprietary information, unless required by applicable national law. This duty remains an obligation after the member’s term expires.*

*28. Each member and alternate member shall take, and agree to respect, a written oath of service before assuming his or her service. The oath of service shall be witnessed by the Chair of the Adaptation Fund Board, and in the case of the Chair, by the Vice Chair of the Adaptation Fund Board.*

(5) Allocation of travel budgets for the active civil society observers to participate in the Board meetings

15. The *Rules of Procedure* set out the financial support to eligible Board members and alternates for their travels, but it makes no mention of the one for observers nor restricts it.

#### XI. TRAVEL

*41. As soon as the Trust Fund for the Adaptation Fund is established, eligible members and alternates of the Board shall have their full costs of travel and daily subsistence allowance (DSA), including full transit costs, at the standard United Nations DSA rate, provided under the budget of the Board and secretariat.*

42. *As soon as the Trust Fund for the Adaptation Fund is established, travel for Board members and alternates shall be arranged according to United Nations rules.*

16. The provision of the financial support for the active civil society observers to participate in the Board meetings requires approximately US\$ 2,000 – US\$ 4,000 per person per meeting (subject to a point of departure and the duration of stay) as well as additional administrative support in the secretariat for making the travel and per diem arrangements. The required allocation for the travel budget also depends on the number of the eligible active civil society observers.

(6) Solicitation of stakeholder input for intersessional decision-making

17. The *Rules of Procedure* (para. 56-59) set out rules on intersessional decisions and it does not restrict the solicitation of stakeholder input on intersessional decision-making. All the [intersessional decisions](#) are posted on the website.

## XVI. INTERSESSIONAL DECISIONS

56. *Decisions without meetings may occur on an extraordinary basis when, in the judgement of the Chair and the Vice-Chair, a decision must be taken by the Board that should not be postponed until the next meeting of the Board. The secretariat, with the approval of the Chair, shall transmit to each member and alternate a proposed decision with an invitation to approve the decision on a no-objection basis.*

57. *Each member's comments on the proposed decision shall be sent to the secretariat during such period as the secretariat may prescribe, provided that such period is no less than two weeks.*

58. *At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the members. If there is an objection raised by any member to any proposed decision that cannot be resolved, the Chair shall include consideration of the proposed decision as an item on the agenda for the next meeting.*

59. *Any intersessional decision shall be deemed to have been taken at the headquarters of the UNFCCC secretariat. The secretariat shall inform members and alternates about the decision and post all intersessional decisions on the Adaptation Fund website.*

18. The intersessional processes of the secretariat's review and the Board's decision making are broadly similar to the one for the Board meetings. With a few exceptions, items that the Board has considered intersessionally are as follows.

(a) Project and grant proposals for the intersessional review cycle

- (b) Requests for project extension and material changes
- (c) (Re)accreditation of implementing entities
- (d) Appointment of Board members and alternatives during the term
- (e) Other items that the Board specifically decided to consider intersessionally

19. Intersessional documents for the project related items [(a), (b) and (e)] are posted in the section of the meeting documents on the website and are available for public comments whenever they are prepared and issued as public documents. For project related items, the Project and Programme Review Committee (PPRC) considers these items initially and makes recommendations to the Board for intersessional decisions. For other items, the Ethics and Finance Committee (EFC) considers initially, or the Board considers directly and makes a decision. Regarding (re-)accreditation of implementing entities [(c)], intersessional reports of the Accreditation Panel are published as annex to the relevant decision only after the Board's intersessional decision is made, as per the *Open Information Policy* and it is in line with the practice for the Board meetings. No document is issued for the appointment of Board members and alternatives during the term [(d)] in line with the practice for the Board meetings.

20. Items that the Board considers intersessionally are mostly limited to matters that the Board and secretariat can process according to standard procedures approved by the Board such as intersessional project/grant proposal review cycles or time-sensitive matters that the Board should not defer its decisions to the subsequent Board meeting. Information for intersessional decisions is distributed to the Board by email from the secretariat and is posted on the website in the intersessional meeting document section when they are not classified as confidential as per the Fund's Open Information Policy. Intersessional Board decisions are made on a non-objection basis or affirmative voting depending on whether the decision has financial implications such as approving projects and grants. Civil society members can submit public comments on intersessional documents on the website when they are published. However, one disadvantage that is inherent to intersessional items is that intersessional documents are posted on the website on a rolling basis while posting time for the documents for Board meetings is expected before the Board meetings. Unless civil society members monitor updates on the website frequently, they may miss the opportunity to read the intersessional documents and submit their comments in time before the Board makes a decision typically in two weeks. This issue can be mitigated if the secretariat sends a notification to representatives of the civil society members when intersessional documents are posted on the website and actively invite them for public comments.