



ADAPTATION FUND

AFB/B.40/14
8 May 2023

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

REPORT OF THE FORTIETH MEETING OF THE ADAPTATION FUND BOARD

Introduction

1. The fortieth meeting of the Adaptation Fund Board (the Board) was held in person in Bonn, Germany, on 21, 23 and 24 March 2023, back-to-back with the thirty-first meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC).
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.40/Inf.3.

Agenda item 1: Opening of the meeting

3. The meeting was opened at 9.00 a.m. on 21 March 2023 by the outgoing Chair of the Board, Albara Tawfiq (Saudi Arabia, Asia-Pacific), attending virtually.

Agenda item 2: Election of outstanding officers

4. Introducing the sub-item, the outgoing Chair recalled that the Board, in decision B.39/67, had decided to elect the Vice-Chair of the Board, the Chair of the PPRC and the Vice-Chair of the Accreditation Panel during the intersessional period between its thirty-ninth and fortieth meetings. The Board had elected Kevin Adams (United States of America, Annex I Parties) as Vice-Chair of the Accreditation Panel during the intersessional period, by decision B.39-40/7, but had yet to fill the other two positions.
5. In addition, Matthias Bachmann (Switzerland, Annex I Parties), who was elected Vice-Chair of the EFC by decision B.39/67, had ceased to be a member of the Board during the intersessional period because his renewed membership had yet to be confirmed.
6. The Adaptation Fund Board (the Board) decided:
 - (a) To elect Lucas di Pietro (Argentina, Non-Annex I Parties) as Vice-Chair of the Board;

- (b) To elect Sylviane Bilgischer (Belgium, Western Europe and Others) as Chair of the PPRC;
- (c) To designate Mattias Broman (Sweden, Western Europe and Others) to serve as interim Vice-Chair of the EFC.

(Decision B.40/1)

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

7. The incoming Chair, Antonio Navarra (Italy, Western European and Others) and the newly elected Vice-Chair, Lucas di Pietro (Argentina, Non-Annex I Parties) took over the Board Chairmanship.

Agenda item 4: Organizational matters

a) Adoption of the agenda

8. The Board adopted the provisional agenda set out in document AFB/B.40/1 as the agenda for its fortieth meeting (see annex II).

9. In adopting the agenda, the Board agreed to consider two matters under agenda item 18, "Other matters":

- (a) A proposal for a wider discussion on matters related to accreditation and legal agreements, stemming from the discussion at the thirty-first meeting of the EFC;
- (b) Election of members to task forces and working groups of the Board.

b) Organization of work

10. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.40/2) and adopted the organization of work proposed by the Chair.

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

- Hyekyoung Jung (Republic of Korea, Asia-Pacific States)
- Masoud Rezvanian Rahaghi (Islamic Republic of Iran, Asia-Pacific)
- Kenrick Williams (Belize, Latin America and the Caribbean)
- Mareile Drechsler (Germany, Western Europe and Others)
- Mani Mate (Cook Islands, Small Island Developing States)
- Patrick Owere (Uganda, Least Developed Countries)
- Naresh Sharma (Nepal, Least Developed Countries)

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

- Patience Dampety (Ghana, Africa)
- Fatou Ndeye Gaye (Gambia, Africa)
- Patrick Owere (Uganda, Africa)

- Washington Zhakata (Zimbabwe, Africa)
- Kenrick Williams (Belize, Latin America and the Caribbean)
- Naresh Sharma (Nepal, Least Developed Countries)

Agenda item 5: Report on activities of the Chair

13. As the outgoing Chair was unable to attend the current meeting in person, his report on the activities undertaken on the Board's behalf during the intersessional period between the Board's thirty-ninth and fortieth meetings (AFB/B.40/Inf.5) would be circulated to the Board members during the intersessional period between the Board's fortieth and forty-first meetings.

Agenda item 6: Report on activities of the secretariat

14. The Manager of the secretariat reported on the activities of the secretariat (AFB/B.40/3).
15. The Adaptation Fund Board took note of the information provided.

Agenda item 7: Accreditation-related matters

(a) Report of the Accreditation Panel

16. The Chair of the Accreditation Panel (the Panel) presented the report of the Panel's thirty-ninth meeting (AFB/B.40/4). She reported that the Fund had 57 accredited implementing entities, of which 34 were national (NIEs), 9 were regional (RIEs) and 14 were multilateral (MIEs). In terms of the geographic coverage of the national and regional implementing entities, 16 were in Latin America and the Caribbean, 15 in Africa, 11 in Asia and 1 in Eastern Europe. Ten national implementing entities were in least developed countries and seven were in small island developing States. Of the Fund's 57 implementing entities, 35 had been reaccredited by the Fund, consisting of 19 national, 5 regional and 11 multilateral entities.

17. The Board continued its discussion in a closed session. Following the closed session, the Board adopted the decisions below on matters considered by the Accreditation Panel at its thirty-ninth meeting.

18. Having considered the recommendation of the Accreditation Panel and following the fast-track reaccreditation process approved by Decisions B.28/38 and B.34/3, the Adaptation Fund Board decided to reaccredit the Caribbean Development Bank as a regional implementing entity of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 23 March 2028.

(Decision B.40/2)

19. Having considered the recommendation of the Accreditation Panel and following the reaccreditation process as per Decision B.34/3 and paragraph 7(3) of the Fund's reaccreditation policy, the Adaptation Fund Board decided to de-accredit Desert Research Foundation of Namibia, a national implementing entity of the Adaptation Fund.

(Decision B.40/3)

20. Recalling the Adaptation Fund's reaccreditation policy and having considered the report on the reaccreditation status of Agencia Nacional de Investigacion e Innovacion (ANII) contained in document AFB/B.40/4/Add.3, which indicated that the entity's accreditation expired on 16 September 2015 and that the entity did not have an Adaptation Fund-supported project under implementation nor did it achieve re-accreditation within three years following the accreditation expiry date, the Adaptation Fund Board decided:

- (a) To change the status of ANII from "Accredited" to "Not-Accredited";
- (b) To request the secretariat to officially communicate the decision to ANII and the designated authority of Uruguay and to inform them that ANII is welcome to submit, to the Adaptation Fund, an accreditation application with the designated authority's endorsement thereof.

(Decision B.40/4)

(b) Report on the implementation of the top-level management statement

21. The representative of the secretariat reported on the status of implementation of the top-level management statement, as more fully described in document AFB/B.40/12 and its confidential addendum AFB/B.40/12/Add.1.

22. Following discussion in a closed session, the Adaptation Fund Board (the Board) decided:

- (a) To take note of the information contained in documents AFB/B.40/12 and AFB/B.40/12/Add.1;
- (b) To also take note of the revised and alternative template for the top-level management statement (TLMS) to be submitted by implementing entities (IEs) for consideration by the Accreditation Panel for accreditation and reaccreditation with the Adaptation Fund, as contained in annex VI to document AFB/B.40/12/Add.1;
- (c) To reinforce its previous position that IEs shall implement projects and programmes supported by the Adaptation Fund in accordance with the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund and the IE's standard practices and procedures, as set out in the Adaptation Fund's standard legal agreement;
- (d) To request the secretariat to communicate the present decision to those applicant implementing entities that have expressed reservations with regard to the existing TLMS template.

(Decision B.40/5)

23. During the discussion on this matter, Mr. Ali Waqas Malik (Pakistan, Non-Annex I Parties) requested that his displeasure with regard to the seemingly more flexible TLMS template be noted in the report of the meeting.

Agenda item 8: Report of thirty-first meeting of the Project and Programme Review Committee

24. The Chair of the PPRC presented the report of the PPRC (AFB/PPRC.31/68).

25. Those with conflicts of interest left the meeting room while the projects and programmes were being discussed. Upon returning to the meeting they asked why they had been asked to leave and thus had been unable to discuss the projects and programmes with which they had no conflict of interest. The Manager of the secretariat said that there had been a miscommunication. The Board had two methods available to it when approving projects, it could either discuss them individually or give a blanket approval to all of them all. He said that in the future when the means of blanket approval was used all the Board members would be able to participate in the discussion and only be asked to leave the meeting if a project or programme was being discussed with which they had a conflict of interest. In the present case there had been no discussion while the members were absent as the Chair had only briefly introduced each of the projects or programmes. The Manager of the secretariat also assured those who had left the meeting that quorum had been maintained while they were absent.

26. In response to a query, a representative of the secretariat explained that the 'rolling' review of projects and programmes would allow the Board three weeks to consider project documents. It was also asked how the members of both the EFC and the PPRC could realistically be expected to examine each other's work in the brief period allowed for that and it was suggested that balancing the membership of various task forces with members from both the EFC and PPRC was a good way to incorporate the principle of subsidiary into Board decisions. In response to another query, the Manager of the secretariat explained that all documents were sent to all the members of the Board.

27. It was observed with concern that when seeking participants for the Adaptation Fund's Climate Innovation Accelerator partnership the two regional entities that had been selected had both come from the same region and the secretariat was urged to look at why that had happened and how other regions could also be included.

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

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

Single country project and programme proposals: fully developed project proposals – proposals from national implementing entities: regular proposals

Belize: Enhancing the Resilience of Belize's Coastal Communities to Climate Change Impacts (fully developed project proposal; Protected Areas Conservation Trust (PACT); AF00000182; US\$ 4,000,000)

29. 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 Protected Areas Conservation Trust (PACT) to the request made by the technical review;
- (b) To suggest that PACT 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 information on the measures to be put in place for the management of environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Adaptation Fund;
 - (ii) The proposal should provide more detailed information on the cost-effectiveness of the proposed measures;
 - (iii) The proposal should clarify the arrangements to be put in place for the maintenance of the infrastructure in Dangriga once the project ended;
 - (iv) The proposal should include quantified expected results (targets) with indicators that allow for the measurement of progress in the project results framework;
- (c) To request PACT to transmit the observations under subparagraph (b) to the Government of Belize.

(Decision B.40/6)

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

30. 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 Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA) to the request made by the technical review;
- (b) To approve the funding of US\$ 4,000,000 for the implementation of the project, as requested by FIRCA;
- (c) To request the secretariat to draft an agreement with FIRCA as the national implementing entity for the project.

(Decision B.40/7)

Panama: Strengthening Climate Resilience in Livelihoods and Coastal Ecosystems of the Central Pacific of Panama (fully developed project proposal; Fundación Natura; AF00000289; US\$ 10,000,000)

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

- (a) To not approve the fully developed project proposal as supplemented by the clarification responses provided by the Fundación Natura to the request made by the technical review;
- (b) To suggest that Fundación Natura 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 compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund and address the use of unidentified subprojects;
- (c) To request Fundación Natura to transmit the observations under subparagraph (b) to the Government of Panama.

(Decision B.40/8)

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

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

- (a) To not approve the fully developed project proposal as supplemented by the clarification responses provided by the Ministry of Water and Environment (MWE) to the request made by the technical review;
- (b) To suggest that MWE reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should fully identify the project activities and demonstrate compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund;
 - (ii) The proposal should clarify how the proposed activities constitute concrete actions that will build adaptive capacity to the adverse effects of climate change, both for communities and ecosystems;
- (c) To request MWE to transmit the observations under subparagraph (b) to the Government of Uganda.

(Decision B.40/9)

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 proposal; Environmental Management Agency (EMA); AF00000233; US\$ 4,989,000)

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

- (a) To not approve the fully developed project proposal as supplemented by the 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 demonstrate compliance with national technical standards;

- (ii) The proposal should provide more details on management of the risk of involuntary resettlement in the Environmental and Social Management Plan;
- (iii) The proposal should further demonstrate the adequacy of the grievance mechanism;
- (c) To request EMA to transmit the observations under subparagraph b) to the Government of Zimbabwe.

(Decision B.40/10)

Single country project and programme proposals: fully developed project proposals – proposals from regional implementing entities: regular proposals

Nauru: Resilient Coastal Fisheries and Aquaculture in Nauru (fully developed project proposal; Pacific Community (SPC); AF00000329; US\$ 7,999,493)

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

- (a) To approve the fully developed project proposal as supplemented by the clarification responses provided by the Pacific Community (SPC) to the request made by the technical review;
- (b) To approve the funding of US\$ 7,999,493 for the implementation of the project, as requested by SPC;
- (c) To request the secretariat to draft an agreement with SPC as the regional implementing entity for the project.

(Decision B.40/11)

Papua New Guinea: Adaptation of Small-Scale Agriculture for improved food security of resilient communities in Papua New Guinea (ASSA) (fully developed project proposal; The Pacific Community (SPC); AF00000298; US\$ 10,000,000)

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

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

(Decision B.40/12)

Single country project and programme proposals: fully developed project proposals – proposals from multilateral implementing entities: regular proposals

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

36. Having considered the issues raised in documents AFB/PPRC.31/11 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) To not approve the fully developed project proposal as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To suggest that IFAD reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide a better description and quantification of the economic, social and environmental benefits provided by the project and include information on the particular benefits for marginalized and vulnerable groups and Indigenous communities;
 - (ii) The proposal should include a gender assessment and an action plan that are in line with the Gender Policy of the Adaptation Fund;
 - (iii) The proposal should clarify whether the vulnerable, marginalized and Indigenous groups present in the target areas were consulted and provide information on their specific concerns and input to the project;
 - (iv) The proposal should include an environmental and social risk and impact assessment and management plan that includes a detailed analysis and substantiation of the risk findings and mitigation measures for the proposed Adaptation Fund project and is in compliance with the Environmental and Social Policy of the Adaptation Fund;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of the Central African Republic.

(Decision B.40/13)

Lao People's Democratic Republic: Enhancing Adaptive Capacity in Lao PDR Provinces, and Building Resilient Housing in Vulnerable Communities (fully developed project proposal; United Nations Human Settlements Programme (UN-Habitat); AF00000295; US\$ 7,323,750)

37. Having considered the issues raised in documents AFB/PPRC.31/12 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) To not approve the fully developed project proposal as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To suggest that UN-Habitat reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should strengthen the proposed investment in early warning systems;
 - (ii) The proposal should describe the framework for coordinating with relevant initiatives during implementation;
 - (iii) The proposal should ensure compliance with the Environmental and Social Policy of the Adaptation Fund;
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Lao People's Democratic Republic.

(Decision B.40/14)

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

38. Having considered the issues raised in documents AFB/PPRC.31/13 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (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 proponent should improve the formulation of the project activities and explain how they lead to achieving the desired project outputs and outcomes;
 - (ii) The proponent should strengthen the cost-effectiveness analysis by providing a rationale for the proposed solutions and comparison with alternative adaptation measures;
 - (iii) The proponent should carry out consultations on the project at the local level and present their findings, and explain how the interests and concerns of marginalized and vulnerable groups were considered in the project design;
 - (iv) The proponent should further develop concrete mechanisms to ensure the long-term sustainability of the project;
 - (v) The proposal should provide an improved analysis of the rationale for the funding requested based on the full cost of adaptation reasoning;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Libya.

(Decision B.40/15)

Mongolia: Ger Community Resilience Project (GCRP) (fully developed project proposal; United Nations Human Settlements Programme (UN-Habitat); AF00000317; US\$ 7,965,882)

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

- (a) To approve the fully developed project proposal as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To approve the funding of US\$ 7,965,882 for the implementation of the project, as requested by (UN-Habitat);
- (c) To request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project.

(Decision B.40/16)

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

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

- (a) To note the recommendation that the Adaptation Fund Board:
 - (i) Approve the fully developed project proposal as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
 - (ii) Approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by (IFAD);
 - (iii) Request the secretariat to draft an agreement with IFAD 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.40/17)

Zambia: Climate Change Adaptation of Livelihoods through Rural Finance (CALRF) (fully developed project proposal; International Fund for Agricultural Development (IFAD); AF00000280; US\$ 10,000,000)

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

- (a) To 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 fully define the activities that will be undertaken;

- (ii) The proposal should include more details on the sustainability of the project and the maintenance of any infrastructure or equipment after the project ends;
 - (iii) The proposal should include a gender assessment that is in line with the Gender Policy of the Adaptation Fund;
 - (iv) The environmental and social impact assessment and the environmental and social management plan should be in line with the Environmental and Social Policy of the Adaptation Fund;
 - (v) The proposal should include a clear description of the role of the executing entities;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Zambia.

(Decision B.40/18)

Single country project and programme proposals: concept notes – proposals from national implementing entities: small-size proposals

Indonesia (1): Sustainable Landscape Governance; Towards Climate Resilience of Community in Tempe Lake Ecosystem (concept note; Partnership for Governance Reform (Kemitraan); AF00000302; US\$ 993,081))

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 Partnership for Governance Reform (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 provide more details on the project rationale and the proposed components and associated outcomes, outputs and activities;
 - (ii) The fully developed project proposal should provide detailed information on the cost-effectiveness of the selected approach;
 - (iii) The fully developed project proposal should include a revised and substantiated project risk category corresponding to the proposed activities;
- (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.40/19)

Indonesia (2): 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)

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 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 concept note should include an improved project rationale and clarified project outputs and outcomes;
 - (ii) The concept note should provide more details and demonstrate compliance with the Gender Policy of the Adaptation Fund;
 - (iii) The concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
 - (iv) The concept note should describe the project's full cost of adaptation reasoning;
- (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.40/20)

Indonesia (3): 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)

44. 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 concept note should include an explanation of the full cost of adaptation reasoning for each project output;
 - (ii) The concept note should include a strengthened cost-effectiveness analysis by providing different scenarios and a rationale for the proposed solutions;

- (iii) The concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
- (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.40/21)

Indonesia (4): Collaboration for the Conservation of Cimandiri Watershed Landscapes through the Potential of Silvopasture and Community Agroforestry (concept note; Partnership for Governance Reform (Kemitraan); AF00000305; US\$ 960,225)

45. 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 (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 concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
 - (ii) The concept note should include a description of the consultations process with vulnerable groups and a report of its outcomes;
- (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.40/22)

Indonesia (5): Village Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara (concept note; Partnership for Governance Reform (Kemitraan); AF Project ID AF00000307; US\$ 998,739)

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 Partnership for Governance Reform (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 demonstrate strengthened environmental and social risk screening that is in line with the Environmental and Social Policy of the Adaptation Fund;
- (ii) The fully developed proposal should include an Environmental and Social Policy categorization that is based on and reflects all risks identified for the entire project, not only per project component;
- (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.40/23)

Indonesia (6): Increasing the Resilience of Smallholders from Climate Impacts through Smart Agriculture based on Livelihood Diversification in Indonesia (concept note; Partnership for Governance Reform (Kemitraan); AF00000309; US\$ 977,939)

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 Partnership for Governance Reform (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 provide more details on how the project will comply with relevant national technical standards;
- (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.40/24)

Indonesia (7): Strengthening Community Adaptation toward Climate Change through ProKlim in Ecoregion Neck of Sulawesi Island (concept note; Partnership for Governance Reform (Kemitraan); AF00000310; US\$ 999,226)

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 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 present updated milestones in the project calendar;
 - (ii) The fully developed project proposal should further clarify the theory of change;
- (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.40/25)

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\$ 999,984)

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 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 concept note should provide an enhanced justification of the relevance of the project to addressing climate change;
 - (ii) The concept note should include sufficient explanation of the selected project approach and scope, demonstrating the cost-effectiveness of each project component compared to alternative viable adaptation options;
 - (iii) The concept note should include more details to justify the sustainability from an economic, environmental and social perspective;
 - (iv) The concept note should also include an initial gender assessment, in compliance with the Gender Policy of the Adaptation Fund;
- (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.40/26)

Single country project and programme proposals: concept notes – proposals from national implementing entities: regular proposals

Peru (1): 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)

50. 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 Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request 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;
- (c) To approve the project formulation grant of US\$ 45,000;
- (d) To request PROFONANPE to transmit the observations under subparagraph (b) to the Government of Peru;
- (e) 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.40/27)

Single country project and programme proposals: concept notes – proposals from regional implementing entities: regular proposals

Chad: Reversing the degradation trend in the oases of Borkou, Ennedi West and Wadi Fira through strengthening adaptation measures and improving resilience to climate change of vulnerable communities (concept note; Sahara and Sahel Observatory (OSS); AF00000330; US\$ 10,000,000)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) To request the secretariat to notify OSS of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should provide more details to strengthen the adaptation rationale of this project;
 - (ii) The fully developed project proposal should further clarify the maintenance of infrastructure after the project closes to ensure sustainability;
 - (iii) The fully developed project proposal should provide additional justification for project category (B) in the light of the proposed project activities;
- (c) To request OSS to transmit the observations under subparagraph (b) to the Government of Chad;

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

(Decision B.40/28)

Egypt: Climate Change Adaptation to Improve Livelihoods in Siwa Oasis (CCALSO) (concept note; Sahara and Sahel Observatory (OSS); AF00000331; US\$ 8,000,000)

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

(a) To not endorse the 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 concept note should be considerably reframed to focus on concrete adaptation measures that deliver substantial tangible benefits to communities vulnerable to climate change;

(ii) The concept note should demonstrate that the selected project activities are in line with the adaptation challenges;

(iii) The concept note should provide more detail on the intended project beneficiaries;

(iv) The concept note should include details of how the detailed consultation process will take place during the formulation of the fully developed proposal;

(c) To request OSS to transmit the observations under subparagraph (b) to the Government of Egypt.

(Decision B.40/29)

Mauritania: Enhancing the Resilience of Communities of Agropastoral and Oases Ecosystems of Ziyara and Dhaya to the Adverse Effects of Climate Change in the Adrar Region in Mauritania (concept note; Sahara and Sahel Observatory (OSS); AF00000332; US\$ 10,000,000)

53. 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 Sahara and Sahel Observatory (OSS) to the request made by the technical review;

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

(i) In developing the full proposal, the proponent should consider putting more focus on catchment protection, development and rehabilitation, along with other planned investments in infrastructure and water use optimization;

- (ii) The fully developed project proposal should include a more detailed cost-effectiveness analysis;
 - (iii) The fully developed project proposal should include a more detailed discussion on the institutional capacities and means to ensure the sustainability of the project outcomes;
 - (iv) The fully developed project proposal should include a more comprehensive gender assessment, including a gender action plan for the project;
- (c) To request OSS to transmit the observations under subparagraph (b) to the Government of Mauritania.
- (d) To encourage the Government of Mauritania to submit, through OSS, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.40/30)

Peru (2): Implementing Protection Technologies to Foster the Resilience of Aquaculture in the Regions of Huanuco, Junin and Puno to Strengthen Food Security in the Context of Extreme Events Associated with Climate Change (concept note; Development Bank of Latin America (CAF); AF00000340; US\$ 5,298,180)

54. 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 Development Bank of Latin America (CAF) to the request made by the technical review;
- (b) To request the secretariat to notify CAF of the observations in the review sheet annexed to the notification of the Board's decision;
- (c) To request CAF to transmit the observations under subparagraph (b) to the Government of Peru;
- (d) To encourage the Government of Peru to submit, through CAF, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.40/31)

Single country project and programme proposals: concept notes – proposals from multilateral implementing entities: regular proposals

Fiji: Enhancing Climate Adaptation Through Scaling Up Fiji's Coastal Inundation Forecasting Early Warning System (concept note; World Meteorological Organization (WMO); AF00000333; US\$ 5,560,000)

55. 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 World Meteorological Organization (WMO) to the request made by the technical review;

- (b) To request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The fully developed project proposal should put emphasis on supporting the multi-hazard interoperable environment mentioned in the response sheet and identify synergies and areas for needed coordination between the relevant institutions;
 - (ii) The fully developed project proposal should provide sufficient details of the activities, including the sites for installing sea level gauges and tethered wave buoys, to enable adequate and comprehensive assessment of the environmental and social risk against the Environmental and Social Policy of the Adaptation Fund, and provide an environmental and social management plan that takes into consideration all potential impacts and risks acknowledged in the concept note;
 - (iii) The fully developed proposal should describe how the project might support the endorsement of the Meteorological Act and, most importantly, what the response will be in the event that the Act is only endorsed during the life of the project;
- (c) To request WMO to transmit the observations under subparagraph (b) to the Government of Fiji;
- (d) To encourage the Government of Fiji to submit, through WMO, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.40/32)

Grenada: Increasing Climate Resilience and Adaptive Capacity among Farming and Fishing Communities in Grenada (concept note; International Fund for Agricultural Development (IFAD) AF Project ID: AF00000334; US\$ 10,000,000)

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

- (a) To endorse the concept note as supplemented by the clarification responses provided by the 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 issue:
 - (i) The fully developed proposal should include a comprehensive gender analysis and action plan, in compliance with the Gender Policy of the Adaptation Fund;
 - (ii) The fully developed proposal should include a detailed assessment of environmental and social risks and impacts as well as a management plan, in compliance with the Environmental and Social Policy of the Adaptation Fund;
 - (iii) The fully developed project proposal should include a correct calculation of the implementing entity fee and execution costs;
- (c) To request IFAD to transmit the observations under subparagraph (b) to the Government of Grenada;
- (d) To encourage the Government of Grenada to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.40/33)

Cambodia: Increasing climate resilience through small-scale infrastructure investments and enhancing adaptive capacity of vulnerable communities in Kampot and Koh Kong Provinces in Cambodia (concept note; United Nations Human Settlements Programme (UN-Habitat); AF00000335; US\$ 10,000,000)

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

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

(Decision B.40/34)

Regional project and programme proposals: fully developed project proposals – proposals from multilateral implementing entities

Azerbaijan, Islamic Republic of Iran: Urbanisation and Climate Change Adaptation in the Caspian Sea Region (fully developed project proposal; United Nations Human Settlements Programme (UN-Habitat); AF00000191; US\$ 14,000,000)

58. 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 ensure that the project as a whole, and its components, are formulated to be commensurate in scale and extent with the long-term impacts of climate variability and change under a range of future scenarios;
 - (ii) The proposal should clearly demonstrate the benefits of regional coordination;
 - (iii) The proposal should demonstrate, through specific measures, how the project will promote the leadership of vulnerable subgroups, including women, throughout project monitoring and implementation;

- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Azerbaijan and the Islamic Republic of Iran.

(Decision B.40/35)

Cabo Verde; Guinea Bissau; Sao Tome and Principe: “West and Central Africa Small Island Developing States Adapt – Building Resilience of Agricultural Systems to Climate Change” (fully developed project; International Fund for Agricultural Development (IFAD); AF00000230; US\$ 14,000,000)

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

- (a) To approve the fully developed project proposal as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To approve the funding of US\$ 14,000,000 for the implementation of the project, as requested by IFAD;
- (c) To request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Decision B.40/36)

Côte d’Ivoire, Ghana: Improved Resilience of Coastal Communities in Côte d’Ivoire and Ghana (fully developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000121; US\$ 13,991,990)

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

- (a) To note the recommendation that the Adaptation Fund Board:
- (i) Approve the fully developed project proposal as supplemented by the 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\$ 13,991,990 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.40/37)

Regional project and programme proposals: concept notes – proposals from multilateral implementing entities

Angola and Namibia: “Building Resilience to Climate Change for Semi Nomadic Agro Pastoral Communities in the Transboundary Kunene River Basin” (concept note; International Fund for Agricultural Development (IFAD); AF00000336; US\$ 14,000,000)

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

- (a) To not endorse the concept note as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To suggest that IFAD reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
 - (ii) The concept note should include a report documenting the consultation process, including a summary of the issues raised by stakeholders, with special attention paid to vulnerable groups, including women and young people, as well as a gender-disaggregated attendance lists;
 - (iii) The concept note should provide more details for an initial gender analysis to ensure better informed, gender-responsive project components;
- (c) To not approve the project formulation grant of US\$ 50,000;
- (d) To request IFAD to transmit the observations under subparagraph (b) to the Governments of Angola and Namibia.

(Decision B.40/38)

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

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

- (a) To reject 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, including, among others, the risks of maladaptation and unsustainability of the project;
- (b) To not approve the project formulation grant of US\$ 50,000;
- (c) To request IFAD to transmit the Board decision to the Governments of Botswana, Malawi, Mozambique, South Africa, Zambia and Zimbabwe.

(Decision B.40/39)

Regional project and programme proposals: pre-concept notes – proposals from multilateral implementing entities

Bangladesh, Nepal: Hydrological Status and Outlook system for Integrated Water Resources Management and Climate Resilience in Bangladesh and Nepal (HydroSOS-BaNe) (pre-concept note; World Meteorological Organization (WMO); AF Project ID AF00000337; US\$ 12,090,000)

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

- (a) To endorse the pre-concept note as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) To request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
 - (i) The concept note should explore options to enhance regional engagement and/or coordination in the Ganga Brahmaputra Meghna river basin in order to improve the effectiveness of the proposed approach;
- (c) To approve the project formulation grant of US\$ 20,000;
- (d) To request WMO to transmit the observations under subparagraph (b) to the Governments of Bangladesh and Nepal;
- (e) To encourage the Governments of Bangladesh and Nepal to submit, through WMO, a concept note that would also address the observations under subparagraph (b), above.

(Decision B.40/40)

Honduras, El Salvador, Guatemala: Building resilience of urban communities in Central America by leveraging nature-based solutions for adaptation (pre-concept note; United Nations Environment Programme (UNEP); AF Project ID AF00000338; US\$ 14,000,000)

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

- (a) To endorse the pre-concept note as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) To request the secretariat to notify UNEP of the observations in the review sheet annexed to the notification of the Board's decision;
- (c) To approve the project formulation grant of US\$ 20,000;
- (d) To request UNEP to transmit the observations under subparagraph (b) to the Governments of Honduras, El Salvador and Guatemala;
- (e) To encourage the Governments of Honduras, El Salvador and Guatemala to submit, through UNEP, a concept note.

(Decision B.40/41)

(b) Report of the secretariat on initial screening/technical review of enhanced direct access project proposals

Enhanced direct access project proposals: fully developed project proposal

Belize: Building Community Resilience via Transformative Adaptation (fully developed project proposal; Protected Areas Conservation Trust (PACT); AF00000271; US\$ 5,000,000)

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

- (a) To not approve the fully developed enhanced direct access proposal as supplemented by the clarification responses provided by the Protected Areas Conservation Trust (PACT) to the requests made by the technical review;
- (b) To suggest that PACT reformulate the proposal, taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proponent should clarify the decision-making processes within the enhanced direct access model with respect to the partnerships with relevant entities and how funds will flow;
 - (ii) The proponent should explain the model for capacity-building model from PACT to second tier organizations and from second tier organizations to tertiary subnational organizations and actors;
 - (iii) The proponent should clarify the selection criteria for proposals coming in through the planned bottom-up process or specify at what point in the project cycle the criteria will be finalized;
 - (iv) The proponent should clarify how and when the beneficiary data is expected to be finalized, with reference to the equitable distribution of benefits to vulnerable communities, households and individuals;
 - (v) The proponent should update the gender action plan to include, where appropriate, targets and quotas and make a clear linkage with project components, outputs and activities;
- (c) To request PACT to transmit the observations under subparagraph (b) to the Government of Belize.

(Decision B.40/42)

Enhanced direct access project proposals: concept note

India: Fund for Ecosystem based Adaptation through Agro-ecological Initiatives in India (concept note proposal; National Bank for Agriculture and Rural Development (NABARD); AF00000342, US\$ 5,000,000)

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

- (a) To not endorse the enhanced direct access project concept as supplemented by the clarification responses provided by the National Bank for Agriculture and Rural Development (NABARD) to the requests made by the technical review;

- (b) To request the secretariat to notify NABARD 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 screening process for subprojects under the categories of ecosystem-based adaptation interventions;
 - (ii) The proposal should include a comprehensive list of potentially overlapping projects and describe synergies and complementarities with existing projects;
 - (iii) The proposal should include a revised the risk screening table that focuses on the risk of negative impacts, and provide detailed information on and justification for the assumptions in the risk assessment;
- (c) To not approve the project formulation grant of US\$ 45,000;
- (d) To request NABARD to transmit to the Government of India the observations under subparagraph (b), above.

(Decision B.40/43)

(c) Report of the secretariat on initial screening/technical review of large innovation project proposals

Large innovation project proposals: fully developed project proposals – proposal from a national implementing entity

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

67. 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 proposal as supplemented by the clarification responses provided by Palli Karma-Sahayak Foundation (PKSF) to the requests made by the technical review;
- (b) To suggest that PKSF reformulate the proposal, taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should describe the lessons learned from the previous pilot projects and clarify how the experience of the pilot project shaped the design of the current project;
 - (ii) The proposal should explain how the project is different from the previous pilot projects in terms of innovation in water management and its community engagement plan for innovation, operation and maintenance;
 - (iii) The proposal should clarify the pricing system and the costs to local committees for longer-term operation and maintenance;
- (c) To request PKSF to transmit to the Government of Bangladesh the observations under subparagraph (b), above.

(Decision B.40/44)

Large innovation project proposals: fully developed proposals – proposal from a multilateral implementing entity

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)

68. 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 International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) To approve the funding of US\$ 5,000,000 for the implementation of the project, as requested by IFAD;
- (c) To request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Decision B.40/45)

Large innovation project proposals: concept notes – proposals from national implementing entities

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

69. 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 Protected Areas Conservation Trust (PACT) to the request made by the technical review;
- (b) To request the secretariat to notify PACT of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should provide details on an indicative list of alternate livelihood actions and associated outputs and activities;
 - (ii) A gender assessment should be provided that clearly describes the barriers to gender mainstreaming, and the targets specified in the Gender Action Plan of the Adaptation Fund should be integrated into the results framework of the project;
 - (iii) The fully developed proposal should specify the anticipated cost of maintenance for communities and their capacity to cover the costs of the services;
- (c) To request PACT to transmit the observations under subparagraph (b) to the Government of Belize;
- (d) To approve the project formulation grant of US\$ 50,000;
- (e) To encourage the Government of Belize to submit, through PACT, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.40/46)

India: Climate Smart Agricultural Water Management in Man and Khatav Taluka of Satara, Maharashtra, India (concept note; National Bank for Agriculture and Rural Development (NABARD); AF00000341; US\$ 2,555,196)

70. 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 National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) To suggest that NABARD 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 concept note should incorporate the details related to the current and projected impacts of climate change on target region into the section titled "project justification" to strengthen the climate change adaptation justification for the project activities;
 - (ii) The concept note should incorporate all details mentioned in the response sheet into the project main text;
 - (iii) The concept note should include comprehensive mapping of ongoing and planned activities by the Government of India, international organizations, bilateral donors and non-governmental organizations to identify synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
- (c) To not approve the project formulation grant of US\$ 40,000;
- (d) To request NABARD to transmit to the Government of India the observations under subparagraph (b), above.

(Decision B.40/47)

Large innovation project proposals: concept notes – proposal from a multilateral implementing entity

Burundi: Enhancing resilience to flood and drought through a unique combination of innovative climate adaptation tools, technologies, and practices in Burundi (concept note; United Nations Environment Programme (UNEP); AF00000343, US\$ 5,000,000)

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

- (a) To not endorse the concept note as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) To suggest that UNEP 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 concept note should describe insights and lessons learned from the mobile flood barrier pilot project, specifically related to how the interventions altered

beneficiaries' practices and behaviours on the ground, and clarify how the lessons learned shaped the design of the existing project;

(ii) The concept note should clarify the theory of change and how the components or activities are linked;

(c) To request UNEP to transmit to the Government of Burundi the observations under subparagraph (b), above.

(Decision B.40/48)

Regional projects and programmes: concept note – proposal from a multilateral implementing entity

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

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

(a) To endorse the large innovation project concept note as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;

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

(i) The fully developed proposal should specify the portion of the budget expected to be allocated to instrumentation, hydrological equipment and other hydrometric monitoring aspects through training and capacity-building;

(ii) The fully developed proposal should provide details on the funding model for the innovation hub;

(iii) The fully developed proposal should clarify which stakeholders will be part of the selection and steering committees;

(iv) The fully developed proposal should clarify the process for implementing or deploying innovations, specifying the proof of concept and specific sites or target locations for further experimentation/demonstration;

(v) The fully developed proposal should describe the proposal selection criteria and clarify whether there will be further development and refinement as the project progresses through implementation;

(c) To request WMO to transmit the observations under subparagraph (b) to the Governments of the Gambia and the United Republic of Tanzania;

(d) To approve the project formulation grant of US\$ 30,000;

(e) To encourage the Governments of the Gambia and the United Republic of Tanzania to submit through WMO, a fully developed proposal that would also address the observations under subparagraph (b) above.

(Decision B.40/49)

(d) Report of the secretariat on initial screening/technical review of innovation small grant project proposals

Chile: Sustainable Corridors. Adapting electricity transmission infrastructure to the climate crisis through nature-based solutions in the Antofagasta Region (Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID); AFRDG00063, US\$ 250,000)

73. 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 explain how the sustainable corridor is expected to build the adaptive capacity of communities and the ecosystem towards the ongoing climate impacts in Antofagasta;
 - (ii) The proposal should clarify the transferability of the intervention implemented under the LIFE-ELIA project to the target areas, given the differences in the two ecosystems;
 - (iii) The proposal should provide details of the target areas, include a provisional list of nature-based solutions, and justify the suitability of the interventions to the environmental conditions of the target area;
 - (iv) The proponent should clarify the economic, social and environmental benefits of the anticipated solutions in the target areas from a resilience and climate change adaptation perspective vis-à-vis the baseline situation;
- (c) To request AGCID to transmit the observations under subparagraph (b) to the Government of Chile.

(Decision B.40/50)

Indonesia (1): Developing "Climate Smart Community" System to Increase Climate Resilience for Saddang Watershed Communities (Partnership for Governance Reform (Kemitraan); AFRDG00064; US\$ 250,000)

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

- (a) To approve the innovation small grant proposal as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the requests made by the technical review;
- (b) To approve the funding of US\$ 250,000 for the implementation of the project, as requested by Kemitraan;

- (c) To request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project.

(Decision B.40/51)

Indonesia (2): Towards Climate and Economic Resilience: Development Sustainable Adaptation-based of Coffee Village and Tourism Village through Co-production (Partnership for Governance Reform (Kemitraan); AFRDG00067; US\$ 250,000)

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

- (a) To approve the innovation small grant proposal as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the requests made by the technical review;
- (b) To approve the funding of US\$ 250,000 for the implementation of the project, as requested by Kemitraan;
- (c) To request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project.

(Decision B.40/52)

Uganda: Climate Change Adaptation Through Operationalization of Vertical Shaft Brick Kiln Technology for Bricks Manufacturing and livelihood enhancement in Iganga District (Ministry of Water and Environment (MOWE); AFRDG00066; US\$ 250,000)

76. 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 Ministry of Water and Environment (MOWE) to the requests 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 clarify the adaptation justification of the overall project by explaining the climate risks and threats in the target region and how the proposed solutions will build resilience to those climate challenges;
 - (ii) The proposal should include or describe strategies that will ensure sustainability of natural resources, such as limits on exploitation, even if more efficient;
 - (iii) The proposal should clarify how the community will be able to safeguard ecosystem resilience even if the vertical shaft brick-kiln technology is highly successful and there is demand for replication and scale-up;
 - (iv) The proposal should provide an approximate cost of the equipment and machinery to be developed under the project;

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

(Decision B.40/53)

(e) Report of the secretariat on initial screening/technical review of learning grant proposals

Peru: Grant to facilitate learning and knowledge sharing (learning grant proposal; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); Peru/NIE/Multi/2022/Learning; US\$ 150,000)

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

- (a) To approve the learning grant proposal as supplemented by the clarification responses provided by Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request made by the technical review;
- (b) To approve the funding of US\$ 150,000 for the implementation of the project, as requested by PROFONANPE;
- (c) To request the secretariat to draft an agreement with PROFONANPE as the national implementing entity for the project.

(Decision B.40/54)

(f) Request for change in project implementation arrangements

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

- (a) To approve the change in project implementation arrangements for the “Building urban climate resilience in south-eastern Africa” project, as requested by the United Nations Human Settlements Programme (UN-Habitat) and as contained in the revised project proposal, set out in annex 4 to document AFB/PPRC.31/66;
- (b) To request the secretariat to draft an amendment to the agreement between the Board and UN-Habitat to reflect changes made under subparagraph (a) above.

(Decision B.40/55)

(g) Annually-determined funding provisions (fiscal year 2024)

79. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to provide for the following in its work programme for fiscal year 2024:

- (a) US\$ 100 million to fund regional projects and programme proposals, including requests for project formulation grants to prepare regional project and programme concept or fully developed project documents;
- (b) US\$ 30.3 million to fund enhanced direct access projects and programmes, including requests for project formulation grants to prepare fully developed enhanced direct access project documents;

- (c) US\$ 30.3 million to fund large innovation projects and programmes, including requests for project formulation grants to prepare fully developed large innovation project documents;
- (d) US\$ 1.5 million to fund small innovation grants;
- (e) US\$ 1 million to fund learning grants;
- (f) US\$ 1 million to fund project scale-up grants.

(Decision B.40/56)

(h) Review of the expressions of interest to join the Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership

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

- (a) To invite the Pacific Community (SPC) to develop a programme proposal for an amount of up to US\$ 5,000,000;
- (b) To invite the Secretariat of the Pacific Regional Environment Programme (SPREP) to develop a programme proposal for an amount up to US\$ 5,000,000;
- (c) To invite the United Nations Environment Programme (UNEP) to develop a programme proposal for an amount up to US\$ 10,000,000;
- (d) To invite the United Nations Industrial Development Organization (UNIDO) to develop a programme proposal for an amount up to US\$ 10,000,000;
- (e) To invite the United Nations World Food Programme (WFP) to develop a programme proposal for an amount up to US\$ 10,000,000;
- (f) To invite the implementing entities (IEs) to prepare a programme proposal using the process elaborated in document AFB/PPRC.31/59 for the consideration of the Board at its forty-first meeting;
- (g) To invite UNEP, UNIDO and WFP to submit a proposal on extending coordination services to the Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership for consideration by the Project and Programme Review Committee at its thirty-second meeting;
- (h) To request the selected IEs to indicate acceptance by letter to the Chair of the Board by no later than two weeks following the date of the official invitation notification;
- (i) To request the secretariat to increase the outreach to IEs regarding the AFCIA partnership.

(Decision B.40/57)

(i) Operational policy for the implementation of the AFCIA modality

81. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided to approve document AFB/PPRC.31/59 as a basis for implementing entities, upon invitation by the Board, to prepare their programme proposal.

(Decision B.40/58)

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

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

- (a) To extend the piloting of the rolling-basis submissions, in line with the elements described and improvements suggested under paragraph 18 of document AFB/PPRC.31/60, to concrete adaptation projects under the action pillar of the Adaptation Fund's medium-term strategy for 2023–2027 (single country and regional projects);
- (b) To invite the implementing entities of the Adaptation Fund to submit, on a rolling basis, proposals for projects or programmes under all funding windows;
- (c) To request the secretariat:
 - (i) To prepare a progress report on the implementation of the pilot with further recommendations for improvement, as appropriate, taking into consideration the developments related to the new medium-term strategy (2023–2027), as well as any other relevant developments;
 - (ii) To develop proposals for updating the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, as well as any other policies or guidance that may be affected by the new review process;
 - (iii) To present the documents referred to under subparagraphs (c) (i) and (ii), above, to the Project and Programme Review Committee at its thirty-second meeting.

(Decision B.40/59)

(k) Assessment for extending the role of intermediary for the readiness package grant

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

- (a) To extend the role of intermediary in the delivery of support for the accreditation of an NIE via the readiness package grant to all accredited implementing entities of the Fund;
- (b) To require that all accredited implementing entities of the Fund that wish to deliver support for accreditation of a national implementing entity via the readiness package grant meet the following eligibility requirements:
 - (i) Have an “active accreditation” status with the Adaptation Fund;
 - (ii) Have experience advising or organizing relevant accreditation or capacity-building support for institutions, organizations or other entities in developing countries at the national, subnational or local level to receive climate finance for adaptation projects and programmes;
 - (iii) Have experience implementing an Adaptation Fund project or programme and have submitted at least one project performance report, thereby demonstrating its commitment to adhering to the Fund's fiduciary standards and operational policies and guidelines;

- (c) To request the Adaptation Fund Board secretariat to update the website and notify all accredited implementing entities of the above decision by the Board.

(Decision B.40/60)

(l) Innovation project design elements and risk

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

- (a) To adopt the draft risk framework for innovation projects and programmes presented in table 1 and the risk-tolerance targets for the Adaptation Fund's innovation projects portfolio set out in table 2 of document AFB/PPRC.31/64;
- (b) To endorse the project design elements that are encouraged in innovation;
- (c) To request the secretariat:
- (i) To develop tools and guidance for national implementing entities of the Adaptation Fund with a view to supporting project design and faster access to small grant innovation funding on the basis of the project design elements referenced in subparagraph (b), above;
- (ii) To consider further how Adaptation Fund resources could be used to fund innovation and to report back to the Project and Programme Review Committee on the matter at its thirty-third meeting.

(Decision B.40/61)

(m) Principles and draft terms of reference for the advisory body for innovation

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

- (a) To request the secretariat, in consultation with the Innovation Task Force, to finalize the draft of the terms of reference for the advisory body for innovation referred to in document AFB/B.39/10, taking into account the developments with the Adaptation Fund's medium-term strategy (2023–2027) and its implementation plan;
- (b) To request the secretariat to present the finalized draft of the terms of reference for Board's decision at its forty-first meeting or intersessionally.

(Decision B.40/62)

(n) Other matters

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

- (a) To note the recommendations of the Project and Programme Review Committee to approve the following projects/programmes:
- (i) Montenegro (AFB/PPRC.31/15);
- (ii) Côte d'Ivoire, Ghana (AFB/PPRC.31/35);

(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.40/63)

Agenda item 9: Report of thirty-first meeting of the Ethics and Finance Committee

87. The interim Vice-Chair of the EFC presented the report of the EFC (AFB/EFC.31/11).

88. The Board took note of the report of the EFC and adopted decisions on matters considered by the EFC at its thirty-first meeting as indicated in the subsections below.

(a) Financial issues

Work plan of the Board and secretariat for fiscal year 2024

89. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board decided to approve the secretariat's proposed work plan for fiscal year 2024, as set out in annex I to document AFB/EFC.31/4.

(Decision B.40/64)

Administrative Budgets of the Board and Secretariat, AF-TERG and its Secretariat, and Trustee for fiscal year 2024

90. A Summary of the approved administrative budgets is presented in annex IV to the present report.

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

(a) To take note of the budget proposals contained in document AFB/EFC.31/5 and approve, from the resources available in the Adaptation Fund Trust Fund:

(Board and secretariat)

(i) The budget of US\$ 10,206,009 to cover the costs of the operations of the Board and secretariat for the period from 1 July 2023 to 30 June 2024, comprising US\$ 8,742,809 for Board and secretariat administrative services (the main secretariat budget), US\$ 542,300 for accreditation services and US\$ 920,900 for the readiness programme;

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

(ii) The revised budget of US\$ 1,615,642 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 2024, covering the period from 1 July 2023 to 30 June 2024, comprising US\$ 914,913 for the management component and US\$ 700,729 for the evaluation component (the resulting increase of US\$ 279,229 consisted of an

adjustment of US\$ 209,229 for the management component and US\$ 70,000 for the evaluation component);

(Trustee)

(iii) The increase of US\$ 28,800 in the trustee budget for fiscal year 2023;

(iv) The budget of US\$ 905,200 for the trustee services to be provided to the Adaptation Fund during fiscal year 2024;

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

(Decision B.40/65)

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

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

(a) To acknowledge and take note of the following guidance notes, provided by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) in the annexes to document AFB/EFC.31/8, in support of the operationalization of the Evaluation Policy of the Adaptation Fund:

- (i) Annex 1: Evaluation principles
- (ii) Annex 2: Evaluation criteria
- (iii) Annex 3: Evaluation budgeting
- (iv) Annex 4: Commissioning and managing an evaluation
- (v) Annex 5: Evaluation terms of reference
- (vi) Annex 6: Evaluation inception report
- (vii) Annex 7: Evaluation reporting
- (viii) Annex 8: Mid-term review
- (ix) Annex 9: Final evaluations
- (x) Annex 10: Ex post evaluation

(b) To request the AF-TERG:

- (i) To continue the development of Evaluation Policy guidance documents, in consultation with the secretariat and the Evaluation Policy Guidance Advisory Group;
- (ii) To present subsequent guidance notes to the Ethics and Finance Committee (EFC) for consideration at its thirty-second meeting in October 2023;

(c) To acknowledge and take note of the information in document AFB/EFC.31/8, specifically the timeline and information on roll-out, and request the AF-TERG to provide an update on progress related to socialization activities to the EFC at its thirty-second meeting;

(d) To acknowledge and take note of the information in document AFB/EFC.31/8, specifically the proposed discussion on a separate budget line for evaluation costs and on evaluation budget guidance being provided to implementing entities as a specific range of the total project budget;

(e) To request the secretariat to prepare a review of implications and options for the consideration of the EFC at its thirty-second meeting with regard to subparagraph (d) above, including consulting with relevant stakeholders such as the AF-TERG and Adaptation Fund implementing entities.

(Decision B.40/66)

(c) Management response to 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

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

(a) To take note of the updated management response and action plan in document AFB/EFC.31/6;

(b) To request the secretariat to report on the implementation of the action plan to the Ethics and Finance Committee at its thirty-fifth meeting.

(Decision B.40/67)

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

94. 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 in document AFB/EFC.31/7 and its annexes;

(b) To request the secretariat:

(i) To continue 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 are financially closed, and that final audited financial statements are prepared and submitted in compliance with the Adaptation Fund's Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) and the project legal agreements between the Board and UNDP;

(ii) To provide an update on the matter referred to in subparagraph b) (i) to the Ethics and Finance Committee at its thirty-second meeting;

(c) To request UNDP:

(i) To submit, for all completed projects funded by the Adaptation Fund, final audited financial statements covering the respective project grant amount, prepared in compliance with the OPG and the project legal agreements between the Board and UNDP;

- (ii) To submit to the Board, through its secretariat, a comprehensive financial report issued as part of the UNDP certified financial report and explanation note on the use of implementing entity fees for all completed projects;
- (iii) To submit an official letter to the Board before its forty-first meeting, on whether it has fulfilled the Board's requests set out in decision B.37/37, paragraph (c).

(Decision B.40/68)

(e) Temporary measures taken as a response to the COVID-19 pandemic

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

- (a) To take note of the update report on the response of the Adaptation Fund to the coronavirus disease (COVID-19) pandemic and adaptive measures to mitigate its impact on the Fund's portfolio, as contained in document AFB/EFC.31/9 and its annexes;
- (b) To set a limit of two requests per project for a no-cost extension of a project completion date delayed due to COVID-19, which was temporarily allowed by paragraph (b) of decision B.35.b/16 provided that such requests met the criteria described in paragraph 33 of document AFB/EFC.26.b/4;
- (c) To discontinue the application of paragraph (c) of decision B.35.b/16, which temporarily allowed flexible application of "material change" related to COVID-19, as described in paragraphs 34–39 of document AFB/EFC.26.b/4;
- (d) To reiterate its encouragement to countries to consider matters related to COVID-19 within the mandate of the Adaptation Fund in their future programming of funding by the Adaptation Fund, in order to achieve a broader resilience by reflecting, as appropriate, the objectives of government recovery plans in future programming.

(Decision B.40/69)

(f) Request for a revision of legal agreement

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

- (a) To take note of the letter from the Food and Agriculture Organization of the United Nations (FAO) requesting amendments to the standard legal agreement of the Adaptation Fund (the Fund), as contained in annex 1 to document AFB/EFC.31/10;
- (b) To reiterate that the Fund's standard legal agreement applies uniformly to all implementing entities (IEs), is not open to different readings or negotiations and cannot be amended to accommodate a request by an individual IE or to make an exception exclusively for an individual IE;
- (c) To request FAO to sign the legal agreement for the project entitled "Strengthening resilience to climate and COVID-19 shocks through integrated water management on the Sudan-Chad border area" no later than 30 June 2023, recalling paragraph 63 of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund;

- (d) To request the secretariat:
 - (i) To send letters to the relevant designated authorities informing them about the delays resulting from the legal issues raised by FAO;
 - (ii) To communicate the present decision to FAO;
 - (iii) To report to the Ethics and Finance Committee at its thirty-second meeting on the outcomes of the requests contained in subparagraphs (c), (d) (i) and (d) (ii) above, and to propose further steps as necessary.

(Decision B.40/70)

(g) Other matters

97. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board decided to request the secretariat:

- (a) To continue to follow up on Implementation Matter 001 by engaging with the implementing entity concerned;
- (b) To report back to the Ethics and Finance Committee at its thirty-second meeting.

(Decision B.40/71)

Agenda item 10: Implementation plan for the medium-term strategy of the Fund for the period 2023–2027

98. Introducing the item, the Vice-Chair recalled that, the Board, in its decision B.39/61, had adopted the medium-term strategy for 2023–2027. In that decision, the Board had also requested the secretariat to prepare, under the guidance of the medium-term strategy task force, a draft implementation plan for the medium-term strategy for the Board to consider at its fortieth meeting.

99. The representative of the secretariat then presented the draft implementation plan (AFB/B.40/5).

100. During the ensuing discussion, one member noted that there was a suggestion to change the designated authority from a named individual to a named institution and raised the question whether it would enable anyone within the institution to act on behalf of the government. Responding, the Manager of the secretariat said that under the present arrangement, designated authorities might change, creating a gap in awareness of the Fund's projects at the country level. Making the designated authority part of an institutional structure would allow several individuals to participate in the activities of the Fund, thus preserving institutional knowledge. The different options would be clarified in the guidance document to be developed for the subsequent meeting.

101. Responding to a member's comment that funding windows were a unique feature of the Fund, the Manager of the secretariat said that it was important to view the support provided by the Fund in a comprehensive way; the various funding windows covered all aspects of a proposal. Furthermore, where the Fund could not meet all the funding needs it could still facilitate funding from other sources; the readiness programme was an example of that.

102. In response to a query about long-term funding, the Manager explained that the long-term vision for funding stemmed from the fact that the Fund lacked a fixed set of resources, and that resource mobilization results had varied greatly over the years. The figures given were considered

indicative of the percentages required for the various funding windows. He agreed that more coordination was needed when planning evaluations and that the Board should have a strategic discussion about loss and damage. It might also be useful to designate a focal point within the designated authority. The entire implementation plan had to be considered flexible, with activities scalable up or down depending on circumstances.

103. One member suggested cutting the amount budgeted for the implementation of the strategic plan, but others stressed the importance of sufficient funding for implementation, saying that the Board had moved beyond strategic planning and was now at the implementation stage, which called for a decision on indicative amounts of required funding.

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

(a) To approve the implementation plan for the Fund's medium-term strategy for 2023–2027, as contained in the annex to document AFB/B.40/5/Rev.1;

(a) To request the secretariat:

(i) To facilitate the implementation of the plan during the period 2023–2027;

(ii) To include the administrative budget for implementing the plan in the administrative budget of the secretariat annually during the strategy period, for consideration by the Ethics and Finance Committee;

(iii) To prepare, for each proposed type of new or adjusted grant or funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and present them for the Board's consideration in accordance with the tentative timeline in annex I to document AFB/B.40/5/Rev.1;

(iv) To propose, as necessary following the consideration of the new types of support mentioned in subparagraph (b) (iii), amendments to the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund that would better facilitate the implementation of those new types of support;

(v) To monitor the progress of implementation of the medium-term strategy for 2023–2027, to report on it annually as part of the annual performance reports of the Fund and, if necessary, to propose possible adjustments to the plan during its implementation in conjunction with consideration of the annual work plan;

(b) To request the Technical Evaluation Reference Group of the Adaptation Fund to undertake a mid-term review of the medium-term strategy for 2023–2027 and its implementation plan and to present a report to the Board for consideration at its forty-sixth meeting.

(Decision B.40/72)

105. Having considered the draft implementation plan for the medium-term strategy for the Fund contained in annex I to document AFB/B.40/5/Rev.1, the Adaptation Fund Board decided to request the secretariat:

(a) To prepare an analysis of the provisions of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund related to the designated authorities

of the Fund, with a view to providing options for Fund support to enhance the capacity of designated authorities;

(b) To present the analysis to the Board for consideration at its forty-first meeting.

(Decision B.40/73)

Agenda item 11: 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

106. Introducing the sub-item, the Vice-Chair recalled that the secretariat had continued its discussions with the Green Climate Fund (GCF) secretariat to advance the collaborative activities identified at the annual dialogue on climate finance delivery channels held in November 2020. Among other activities, the report prepared by the secretariat (AFB/B.40/6) highlighted the sixth annual dialogue of climate delivery channels that had taken place in November 2022, the implementation of the pilot scaling-up approach between the Fund and GCF and the ongoing discussion between the two secretariats on supporting the community of practice of direct access entities and on fast-track reaccreditation and accreditation issues.

107. The representative of the secretariat then provided an update on collaboration between the Fund and GCF.

108. Following the presentation, responding to queries, he explained that the list of projects in annex II to the document, on the scaling-up approach, was only indicative; it could be updated to include a full list and presented to the Board. He added that it was possible to scale up not only completed projects but also projects still under implementation, in which case both projects would continue at the same time, although that had not yet happened. Turning to the subject of reaccreditation, he confirmed that fast-track applications were indeed processed faster than regular applications, by some four to eight months. With respect to reporting on collaboration, it was not clear whether GCF reported as fully as the Fund did, but the GCF board appeared to be aware of the importance of the Fund's activities. Collaboration was mainly between the secretariats; while collaboration at the Board level had been envisioned, it generally took the form of meetings between the Board Chair and the GCF board co-chairs, which had not happened since the COVID-19 pandemic. He agreed that that the Board could follow the GCF practice of only reporting on collaboration annually.

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

(a) To take note of the report in document AFB/B.40/6, which provided an update on recent cooperation between the Adaptation Fund and the Green Climate Fund;

(b) To request the secretariat:

(i) 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);

(ii) To update the Board annually on the matter referred to in subparagraph (b) (i) above through the report on the activities of the secretariat.

(Decision B.40/74)**(b) Options to further enhance civil society participation and engagement in the work of the Board**

110. Introducing the sub-item, the Chair recalled that, at the thirty-ninth meeting of the Board, following the presentation by the secretariat of a document on options for a policy or draft guidelines to further enhance civil society participation, the Board had requested the secretariat to draft the vision and guidelines for enhancing civil society engagement and to compile any remaining elements recommended by the Adaptation Fund Civil Society Network not included in the draft outline document, for further discussion.

111. The representative of the secretariat then presented the draft vision and guidelines and the compilation prepared pursuant to the Board's request (AFB/B.40/7).

112. Members welcomed efforts to strengthen civil society participation in the Board's work and expressed general support for continued improvement of civil society participation in the Board's proceedings, in line with the practices of other climate-related funds.

113. A number of concerns were nevertheless raised, including regarding disclosure of reasons for closed sessions; publication of documents for public comments and consideration of such comments before adopting policies and guidelines; consistency with the Fund's Open Information Policy; production of project proposal summaries in a country's official language; difficulties knowing who was involved in a civil society organizations and determining potential conflicts of interest; risks associated with conferring "active" observer status to some organizations and not others;

114. One member, noting that the secretariat's draft vision did not accommodate civil society's request to provide input on candidate entities for accreditation, presumably because of confidentiality considerations, questioned whether the need for secrecy outweighed the benefits of greater transparency and enhanced information on candidate entities. Another member observed that enhanced civil society participation would require amendments to the rules of procedure and suggested that those be part of the amendment process to be undertaken done at the same time as the update required for the Fund to transition to serving the Paris Agreement.

115. Responding to members' comments and questions, the representative of the secretariat explained that the secretariat was not in principle opposed to the Fund receiving comments on the accreditation process but disclosing the name of a candidate entity was not currently allowed under the Open Information Policy. Turning to the questions of how observers could attend Board meetings and what constituted an "active" observer, she explained that the secretariat provided a link for observers to register for meetings and allowed any applicants that were on the list of accredited observer entities under the United Nations Framework Convention on Climate Change to attend. It would be up to the Board to determine what constituted an active observer; the Adaptation Fund Civil Society Network was understood to consider an active observer as being a member with a seat at the table and the opportunity to speak and attend closed sessions. Finally, regarding translation of project proposals, she said that as it was a recommendation of the Adaptation Fund Civil Society Organization Network, the assumption was that the implementing entity would be responsible for the translation.

116. Having considered the information contained in document AFB/B.40/7, the Adaptation Fund Board (the Board) decided to request the secretariat:

- (a) To update the draft Adaptation Fund Vision and Guidelines on Enhanced Civil Society Engagement set out in annex 1 to document AFB/B.40/8, based on the discussion at the fortieth meeting of the Board, including discussion of the remaining items recommended by the Adaptation Fund Civil Society Network;
- (b) To prepare a draft guideline to establish the “elected active civil society observer” status, taking into account practices of other climate funds;
- (c) To submit the documents mentioned in subparagraphs (a) and (b) to the Board for consideration at its forty-first meeting.

(Decision B.40/75)

(c) Objectives and indicators for innovation aspects of projects

117. The representative of the secretariat presented a report on the progress in and status of the use of indicators for innovation (AFB/B.40/11), which included options for defining the duration for piloting innovation indicators and considerations for any proposed amendments to the Fund's Strategic Results Framework.

118. Having considered the information contained in document AFB/B.40/11 on options for piloting innovation indicators, the Adaptation Fund Board (the Board) decided:

- (a) To approve option 2 for piloting indicators for innovation in projects and programmes;
- (b) To request the secretariat to adopt a comprehensive approach that considered relevant developments concerning results-based management, readiness and knowledge management and their linkages to innovation prior to proposing amendments to the Strategic Results Framework of the Adaptation Fund;
- (c) To encourage the secretariat, in carrying out option 2, to continue consulting with the Technical Evaluation Reference Group of the Adaptation Fund as needed.

(Decision B.40/76)

(d) Resource mobilization target

119. The Board considered the matter of the resource mobilization target in a closed session, following which it adopted the decision below.

120. Having considered its discussions on resource mobilization strategy and action plan for the period 2022– 2025 at the thirty-ninth meeting and documents AFB/B.39/6/Add.1/Rev.2 and AFB/B.39/6/Add.1/Rev.1, and following discussions at the fortieth meeting, the Adaptation Fund Board decided to set a new resource mobilization target of:

- (a) An amount of US\$ 300 million for 2023; and
- (b) A higher number of contributors than the previous year.

(Decision B.40/77)

(e) Organizing meetings outside of Germany

121. Introducing the sub-item, the Vice-Chair recalled that at its thirty-ninth meeting the Board had expressed interest in diversifying the venues of its meetings, particularly to countries hosting the United Nations Climate Change Conference and had requested the secretariat to explore the feasibility of doing so for the Board's forty-first meeting.

122. The representative of the secretariat then presented the information in document AFB/B.40/9. She reported on the secretariat's ongoing efforts in exploring the feasibility of holding the forty-first meeting of the Board in the host country for the 2023 UN Climate Change Conference and presented elements to be considered by the Board to hold its meeting outside Bonn: the provision of the Rules of Procedure on the Board meeting venue; a need to secure willingness and agreement of the host country to host the Board meeting as early as possible; arrangements for the Board meeting in the host country such as a legal agreement with the government of the host country on the privileges and immunities for the Board, its secretariat, and other eligible meeting participants; arrangements for the distribution of the daily subsistence allowance and other necessary meeting support related to conference venue, catering, equipment, facilities, IT, security, logistical support, visa, hiring local staff and contracting with the relevant service providers.

123. She also presented options for an amendment to paragraph 18 of the Rules of Procedure with a view to facilitating the Board's discussion given that the Board expressed interests in exploring the feasibility of holding its meeting in developing countries where the Fund-supported projects were being implemented and elsewhere in developing world. She also highlighted that the amendment of the Rules of Procedure requires the adoption by the CMP for its effectiveness. She recalled the previous Board discussions and decision not to amend the Rules of Procedure in 2019 on the Rules of Procedure that: the Fund is still in a transitional period: several provisions of the Rules of Procedures are linked to decisions to be made by CMP/CMA in the future; and frequent revisions to the Rules of Procedure are not desirable.

124. During the ensuing discussion, members noted the considerable logistical challenges and secretariat's increasing workload involved in holding a Board meeting in a location other than Bonn, and therefore cut-off timeline may be needed to determine the feasibility of holding the meeting outside Bonn. They also noted that the 2023 climate conference was to be held in the United Arab Emirates, with the subsequent climate conference held in Eastern Europe, likely followed by Brazil and Australia. As all those were locations where the Fund did not currently have projects, the Board might not be able to meet one of its main objectives in diversifying its meeting venues, which was to create an opportunity to also visit projects funded by the Adaptation Fund.

125. One member observed that the Board had nevertheless indicated a desire to strengthen its understanding of project activities and suggested that the Fund's project monitoring mission might be a good avenue for that, a view that was echoed by other members. Another member suggested that individual members could take advantage of other travel to visit projects supported by the Fund.

126. One member, while voicing support for the diversification of meeting venues, noted the associated need to amend the Rules of Procedure and suggested that the matter be considered further when the Board considers updating the Rules of Procedure in the context of the Fund to exclusively serve the Paris Agreement.

127. Having considered document AFB/B.40/9 and following the discussions at its fortieth meeting, the Adaptation Fund Board decided to revisit the matter of diversification of meeting venues when the Board considers the Rules of Procedure of the Adaptation Fund Board in the context of the Adaptation Fund exclusively serving the Paris Agreement.

(Decision B.40/78)

Agenda item 12: Carbon footprint of the Fund

128. The representative of the secretariat presented an overview of the carbon footprint of the administrative functions of the Adaptation Fund, as more fully described in document AFB/B.40/Inf.6.

129. Following her presentation, she responded to a number of comments and questions from members. She confirmed that the secretariat could report to the Board on the secretariat's carbon footprint, for example, every two years at a similar level to what had just been presented but explained that it would be difficult to measure the carbon footprint of the Fund more comprehensively. For the carbon footprint of a Board meeting, some of the members' travels were outside the secretariat's control as they were not arranged by the secretariat, although the secretariat could consider measuring some of the activities that were relatively easy to measure such as the carbon footprint of the flights. The World Bank measured things like overall electricity use and waste water but it would be difficult to measure the carbon footprint of specific equipment, such as a computer that the secretariat used which involved many factors, such as the means of its creation and transportation.

130. She welcomed suggestions of ways to help implementing and executing entities manage the carbon footprint of Fund's projects and programmes, such as the creation of a promotional video. She also confirmed that the carbon credits purchased and retired by the World Bank were used to fund mitigation projects, such as the planting of trees.

131. The Adaptation Fund Board decided:

- (a) To take note of the information in document AFB/B.40/Inf.6 on the carbon footprint of the Adaptation Fund;
- (b) To request the secretariat to consider possible options for reducing the carbon footprint of the Adaptation Fund and to report to the Board on the matter at its forty-first meeting.

(Decision B.40/79)

Agenda item 13: Issues arising from seventeenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 17), the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 4) and the twenty-seventh session of the Conference of the Parties (COP 27)

132. Introducing the item, the Vice-Chair recalled that pursuant to Fund-related decisions by the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its seventeenth session (CMP 17) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (CMA 4), four matters were proposed for the Board's consideration at its fortieth meeting: (i) development of a policy on safeguarding against sexual exploitation and abuse and sexual harassment; (ii) review and update of the Fund's Environmental and Social Policy; (iii) a strategy on monetizing emission reductions under Article 6.4 of the Paris Agreement; and (iv) arrangements for the Fund's transition from the Kyoto Protocol to the Paris Agreement.

133. The representative of the secretariat then presented the decisions taken by CMP 17, CMA 4 and the Conference of the Parties to the United Nations Framework Convention on Climate Change at its twenty-seventh session (COP 27) relating to the Adaptation Fund and the relevant matters to be considered by the Board (AFB/B.40/8).

134. Subsequently, responding to questions, she said that the independent review of the Environmental and Social Policy would be conducted by a consultant and, much like the earlier review of the gender policy, would include consultation of the Board members, implementing entities, civil society organization and other Fund partner organizations and would reflect their input. Regarding the needed review of the rules of procedures, she explained that amendments to the rules of procedure, as well as to the terms and conditions for trustee services and the memorandum of understanding with the Global Environment Facility, were interlinked with the authority of the CMA and CMP as well as the development of the mechanism for article 6, paragraph 4 and required future decisions by those bodies. Similarly, the term “becomes available” in decision 1/CMP.14, which triggers the Fund’s transition from the Kyoto Protocol to the Paris Agreement, is not clearly defined; the rules for the operationalization of the article 6.4 mechanism were still being developed. Consequently, the secretariat needed to continue consultations with the secretariat of the United Nations Framework Convention on Climate changes to clarify all such aspects.

135. Having considered Adaptation Fund-related decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventeenth session and Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session, as well as document AFB/B.40/8 and its annex, the Adaptation Fund Board (the Board) decided:

- (a) To request the secretariat:
 - (i) To commission an independent review of the Environmental and Social Policy of the Adaptation Fund (ESP) with a view to updating the ESP;
 - (ii) To prepare a proposal for an update of the ESP as necessary in consultation with relevant stakeholders of the Adaptation Fund;
 - (iii) To present the output referred to in paragraphs (a) (i) and (a) (ii) to the Board for consideration at its forty-first meeting;
- (b) To request the secretariat to prepare a document with options for a policy on safeguarding against sexual exploitation and abuse and sexual harassment (SEAH) and present it to the Board for consideration at its forty-first meeting;
- (c) To request the secretariat to continue consultations with the secretariat of the United Nations Framework Convention on Climate Change, the trustee and any other relevant stakeholders with a view to the timely preparation of the arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement, as per decision 1/CMP.14, paragraph 2, and report on the status of the work to the Board at its forty-first meeting;
- (d) To request the secretariat and the trustee to continue consultations with the secretariat of the United Nations Framework Convention on Climate Change and any other relevant stakeholders with a view to the timely development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs) and to report on the status of the work to the Board at its forty-first meeting.

(Decision B.40/80)

Agenda item 14: Knowledge management, communications and outreach

136. The Chair drew attention to the up-to-date information on knowledge management, communication and outreach found in the report on activities of the secretariat (AFB/B.40/3, paragraphs 27–37).

Agenda item 15: Dialogue with civil society organizations

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

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

Agenda item 16: Date and venue of meetings in 2023 and onward

139. The Adaptation Fund Board decided:

- (a) To hold its forty-first meeting from 10 to 13 October 2023 in Bonn, Germany;
- (b) To hold its forty-second meeting from 12 to 15 March 2024 in Bonn, Germany.

(Decision B.40/81)

Agenda item 17: Implementation of the code of conduct

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

Agenda item 18: Other matters**(a) A proposal for a wider discussion on matters related to accreditation and legal agreements, stemming from the discussion at the thirty-first meeting of the EFC**

141. The Board held a closed session to discuss a proposal to hold a wider discussion on matters related to accreditation and legal agreements, stemming from the discussion at the thirty-first meeting of the EFC. Following the closed session, the Board adopted the decision below.

142. The Adaptation Fund Board (the Board) decided to request the secretariat to prepare a document containing options for resolving the issues raised by implementing entities in relation to accreditation and the Adaptation Fund standard project legal agreement and their implications and submit it to the Board for consideration at its forty-second meeting.

(Decision B.40/82)

(b) Election of members to task forces and working groups of the Board

143. The Adaptation Fund Board decided to elect the following members to serve on the following task forces and working group:

- (a) For the Resource Mobilization Task Force:
 - (i) Washington Zhakata (Zimbabwe, Africa)
 - (ii) Kevin Adams (United States of America, Annex I Parties)
 - (iii) Mattias Broman (Sweden, Western Europe and Others)
- (b) For the Innovation Task Force:
 - (iv) Mareile Drechsler (Germany, Western Europe and Others)
 - (v) Ahmed Waheed (Maldives, Asia-Pacific)
 - (vi) Mariana Kasprzyk (Uruguay, Latin America and the Caribbean)
- (c) For the TERG Recruitment Working Group:
 - (i) Antonio Navarra (Italy, Western Europe and Others)
 - (ii) Lucas di Pietro (Argentina, Non-Annex I Parties).

(Decision B.40/83)

Agenda item 19: Adoption of the report

144. The Board adopted the decisions in the present report at its fortieth meeting and agreed to entrust the finalization of the report to the secretariat for later adoption. The present report was subsequently adopted by the Board during the intersessional period following its fortieth meeting.

Agenda item 20: Closure of the meeting

145. Following the customary exchange of courtesies, the Chair declared the meeting closed at 4.25 p.m. on 24 March 2023.

ANNEX I

ATTENDANCE AT THE FORTIETH MEETING OF THE ADAPTATION FUND BOARD

MEMBERS		
Name	Country	Constituency
Washington Zhakata	Zimbabwe	Africa
Patience Dampsey	Ghana	Africa
Hyekyoung Jung	Republic of Korea	Asia-Pacific
Albara Tawfiq	Saudi Arabia	Asia-Pacific
Joanna Milwicz vel Delach	Poland	Eastern Europe
Kenrick Williams	Belize	Latin America and the Caribbean
Naresh Sharma	Nepal	Least Developed Countries
Mareile Drechsler	Germany	Western Europe and Others
Antonio Navarra	Italy	Western Europe and Others
Marc-Antoine Martin	France	Annex I Parties
Ali Waqas Malik	Pakistan	Non-Annex I Parties
Lucas di Pietro	Argentina	Non-Annex I Parties

ALTERNATES		
Name	Country	Constituency
Fatou Ndeye Gaye	The Gambia	Africa
Ali Daud Mohamed	Kenya	Africa
Ahmed Waheed	Maldives	Asia-Pacific
Victor Viñas	Dominican Republic	Latin America and the Caribbean
Mariana Kasprzyk	Uruguay	Latin America and the Caribbean
Mani Mate	Cook Islands	Small Island Developing States
Patrick Owere	Uganda	Least Developed Countries
Sylviane Bilgischer	Belgium	Western Europe and Others
Mattias Broman	Sweden	Western Europe and Others
Kevin Adams	United States of America	Annex I Parties
Ahmadou Sebory Toure	Guinea	Non-Annex I Parties

ANNEX II

Adopted agenda of the fortieth meeting of the Adaptation Fund Board

1. Opening of the meeting.
2. Election of outstanding officers.
3. Transition of Chair and Vice-Chair.
4. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
5. Report on activities of the Chair.
6. Report on activities of the secretariat.
7. Accreditation related matters:
 - a) Report of the Accreditation Panel;
 - b) Report on the implementation of the Top-Level Management Statement.
8. Report of the thirty-first meeting of the Project and Programme Review Committee on:
 - a) Report of the secretariat on initial screening/technical review of project and programme proposals;
 - b) Report of the secretariat on initial screening/technical review of enhanced direct access project proposals
 - c) Report of the secretariat on initial screening/technical review of large innovation project proposals;
 - d) Report of the secretariat on initial screening/technical review of innovation small grant project proposals;
 - e) Report of the secretariat on initial screening/technical review of learning grant proposals;
 - f) Request for change in project implementation arrangements;
 - g) Review of the Expressions of Interest to join the Adaptation Fund Climate Innovation Accelerator partnership;
 - h) Operational policy for the implementation of the Adaptation Fund Climate Innovation Accelerator modality;

- i) Options for further supporting the work of the Project and Programme Review Committee;
 - j) Full cost of adaptation reasoning;
 - k) Report of the secretariat on the intersessional review cycle for readiness grants;
 - l) Assessment for extending the role of intermediary for the readiness package grant.
9. Report of the thirty-first meeting of the Ethics and Finance Committee on:
- a) Financial issues;
 - b) Report of the Chair of the Technical Evaluation Reference Group;
 - c) Management response to 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;
 - d) Update on implications of the fiduciary issues related to the United Nations Development Programme;
 - e) Temporary measures taken as a response to the COVID-19 pandemic;
 - f) Request for a revision of legal agreement.
10. Implementation plan for the medium-term strategy of the Fund for the period 2023–2027.
11. 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) Objectives and indicators for innovation aspects of project;
 - d) Resource mobilization target;
 - e) Organizing meetings outside of Germany.
12. Carbon footprint of the Fund.
13. Issues arising from seventeenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 17), the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 4) and the twenty-seventh session of the Conference of the Parties (COP 27).
14. Knowledge management, communications and outreach.

15. Dialogue with civil society organizations.
16. Date and venue of meetings in 2023 and onward.
17. Implementation of the code of conduct.
18. Other matters.
19. Adoption of the report.
20. Closure of the meeting.

ANNEX III

AFB.40: SUMMARY OF FUNDING DECISIONS FOR PROJECTS AND PROGRAMMES AT THE FORTIETH MEETING OF THE ADAPTATION FUND BOARD

1. Full Proposals: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Belize	PACT	AFB/PPRC.31/4	4,000,000			Not Approve	0
	Cote d'Ivoire	FIRCA	AFB/PPRC.31/5	4,000,000			Approve	4,000,000
	Panama	Fundacion Natura	AFB/PPRC.31/6	10,000,000			Not Approve	0
	Uganda	MOWE	AFB/PPRC.31/7	2,249,000			Not Approve	0
	Zimbabwe	EMA	AFB/PPRC.31/8	4,989,000			Not Approve	0
RIE								
	Nauru	SPC	AFB/PPRC.31/9		7,999,493		Approve	7,999,493
	Papua New Guinea	SPC	AFB/PPRC.31/10		10,000,000		Approve	10,000,000
MIE								
	Central African Republic	IFAD	AFB/PPRC.31/11			10,000,000	Not Approve	0
	Lao PDR	UN-Habitat	AFB/PPRC.31/12			7,323,750	Not Approve	0
	Libya	IFAD	AFB/PPRC.31/13			9,997,156	Not Approve	0
	Mongolia	UN-Habitat	AFB/PPRC.31/14			7,965,882	Approve	7,965,882
	Montenegro	IFAD	AFB/PPRC.31/15			10,000,000	Waitlist (1st)	0
	Zambia	IFAD	AFB/PPRC.31/16			10,000,000	Not Approve	0
Sub-total, USD				25,238,000	17,999,493	55,286,788		29,965,375

2. Concepts: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Indonesia (1)	Kemitraan	AFB/PPRC.31/17	993,081			<i>Endorse</i>	-
	Indonesia (2)	Kemitraan	AFB/PPRC.31/18	996,633			Not Endorse	-
	Indonesia (3)	Kemitraan	AFB/PPRC.31/19	970,503			Not Endorse	-
	Indonesia (4)	Kemitraan	AFB/PPRC.31/20	960,225			Not Endorse	-
	Indonesia (5)	Kemitraan	AFB/PPRC.31/21	998,739			<i>Endorse</i>	-
	Indonesia (6)	Kemitraan	AFB/PPRC.31/22	977,939			<i>Endorse</i>	-
	Indonesia (7)	Kemitraan	AFB/PPRC.31/23	999,226			<i>Endorse</i>	-
	Indonesia (8)	Kemitraan	AFB/PPRC.31/24	999,984			Not Endorse	-
	Peru (1)	PROFONANPE	AFB/PPRC.31/25	5,465,145			<i>Endorse</i>	-
RIE								
	Chad	OSS	AFB/PPRC.31/26		10,000,000		<i>Endorse</i>	-
	Egypt	OSS	AFB/PPRC.31/27		8,000,000		Not Endorse	-
	Mauritania	OSS	AFB/PPRC.31/28		10,000,000		<i>Endorse</i>	-
	Peru (2)	CAF	AFB/PPRC.31/29		5,298,180		<i>Endorse</i>	-
MIE								
	Fiji	WMO	AFB/PPRC.31/30			5,560,000	<i>Endorse</i>	-
	Grenada	IFAD	AFB/PPRC.31/31			10,000,000	<i>Endorse</i>	-
	Cambodia	UN-Habitat	AFB/PPRC.31/32			10,000,000	<i>Endorse</i>	-
Sub-total, USD				13,361,475	33,298,180	25,560,000		-

3. Project Formulation Grants (PFG): Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Indonesia (1)	Kemitraan	AFB/PPRC.31/17/Add.1	50,000			Approve	50,000
	Indonesia (2)	Kemitraan	AFB/PPRC.31/18/Add.1	50,000			Not Approve	0
	Indonesia (3)	Kemitraan	AFB/PPRC.31/19/Add.1	50,000			Not Approve	0
	Indonesia (4)	Kemitraan	AFB/PPRC.31/20/Add.1	50,000			Not Approve	0
	Indonesia (5)	Kemitraan	AFB/PPRC.31/21/Add.1	50,000			Approve	50,000
	Indonesia (6)	Kemitraan	AFB/PPRC.31/22/Add.1	50,000			Approve	50,000
	Indonesia (7)	Kemitraan	AFB/PPRC.31/23/Add.1	50,000			Approve	50,000
	Indonesia (8)	Kemitraan	AFB/PPRC.31/24/Add.1	50,000			Not Approve	0
	Peru	PROFONANPE	AFB/PPRC.31/25/Add.1	45,500			Approve	45,500
Sub-total, USD				445,500	-	-	-	245,500
4. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Azerbaijan, Iran	UN-Habitat	AFB/PPRC.31/33			14,000,000	Not Approve	0
	Cabo Verde, Guinea Bissau, Sao Tome & Principe	IFAD	AFB/PPRC.31/34			14,000,000	Approve	14,000,000
	Cote d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.31/35			13,991,159	Waitlist (2nd)	0
Sub-total, USD				-	-	41,991,159		14,000,000

5. Concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Angola, Namibia	IFAD	AFB/PPRC.31/36			14,000,000	Not Endorse	-
	Botswana, Malawi, South Africa, Mozambique, Zambia, Zimbabwe	IFAD	AFB/PPRC.31/37			13,932,000	Reject	-
Sub-total, USD				-	-	27,932,000		-
6. Project Formulation Grants (PFG): Regional Concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Angola, Namibia	IFAD	AFB/PPRC.31/36/Add.1			50,000	Not Approve	0
	Botswana, Malawi, South Africa, Mozambique, Zambia, Zimbabwe	IFAD	AFB/PPRC.31/37/Add.1			50,000	Not Approve	0
Sub-total, USD				-	-	100,000		-
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								
	Bangladesh, Nepal	WMO	AFB/PPRC.31/38			12,090,000	Endorse	-
	El Salvador, Guatemala, Honduras	UNEP	AFB/PPRC.31/39			14,000,000	Endorse	-
Sub-total, USD				-	-	26,090,000		-
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								
	Bangladesh, Nepal	WMO	AFB/PPRC.31/38/Add.1			20,000	Approve	20,000
	El Salvador, Guatemala, Honduras	UNEP	AFB/PPRC.31/39/Add.1			20,000	Approve	20,000
Sub-total, USD				-	-	40,000		40,000
GRAND TOTAL (1+2+3+4+5+6+7+8)				39,044,975	51,297,673	176,999,947		44,250,875

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								
	Belize	PACT	AFB/PPRC.31/41	5,000,000			Not endorse	-
Sub-total, USD				5,000,000	-	-		-
10. Concept: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	India	NABARD	AFB/PPRC.31/42	5,000,000			Not endorse	-
Sub-total, USD				5,000,000	-	-	-	-
11. Project Formulation Grants (PFG) Concept: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	India	NABARD	AFB/PPRC.31/42/Add.1	45,000			Not endorse	-
Sub-total, USD				45,000	-	-	-	-
GRAND TOTAL (9+10+11)				10,045,000	-	-	-	-

12. Full Proposals Single Country: Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Bangladesh	PKSF	AFB/PPRC.31/46	5,000,000			Not approve	0
MIE								
	Viet Nam	IFAD	AFB/PPRC.31/47			5,000,000	Approve	5,000,000
Sub-total, USD				5,000,000	-	5,000,000		5,000,000
13. Concepts Single Country: Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Belize	PACT	AFB/PPRC.31/48	4,970,000			Endorse	-
	India	NABARD	AFB/PPRC.31/49	2,555,196			Not endorse	-
MIE								
	Burundi	UNEP	AFB/PPRC.31/50			5,001,480	Not endorse	-
Sub-total, USD				7,525,196	-	5,001,480	-	-
14. Project Formulation Grants (PFG) Single Concept: Large Innovation Projects	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Belize	PACT	AFB/PPRC.31/48/Add.1	50,000			Approve	50,000
	India	NABARD	AFB/PPRC.31/49/Add.1	40,000			Not approve	0
Sub-total, USD				90,000	-	-		50,000

15. 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								
	The Gambia, United Republic of Tanzania	WMO	AFB/PPRC.31/48			5,000,000	Endorse	0
Sub-total, USD				-	-	5,000,000		-
16. 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								
	The Gambia, United Republic of Tanzania	WMO	AFB/PPRC.31/48/Add.1			30,000	Approve	30,000
Sub-total, USD				-	-	30,000		30,000
GRAND TOTAL (12+13+14+15+16)				12,615,196	-	15,031,480		- 5,080,000
17. 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.31/53	250,000			Not approve	0
	Indonesia (1)	Kemitraan	AFB/PPRC.31/54	250,000			Approve	250,000
	Indonesia (2)	Kemitraan	AFB/PPRC.31/55	250,000			Approve	250,000
	Uganda	MoWE	AFB/PPRC.31/56	250,000			Not approve	0
Sub-total, USD				1,000,000	-	-		500,000
18. Learning Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Peru	PROFONANPE	AFB/PPRC.31/57	150,000			Approve	150,000
								0
Sub-total, USD				150,000	-	-		150,000
GRAND TOTAL (1+2+3+4+5+6+7+8+9+10+11+12+13+14+15+16+17+18)				62,855,171	51,297,673	192,031,427		49,980,875

ANNEX IV

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

All amounts in US\$	FY23	FY23	FY24
	Approved	Estimate	Approved
BOARD AND SECRETARIAT			
1 Personnel	5,475,648	4,634,578	6,882,409
2 Travel	456,000	535,000	754,000
3 General operations	728,050	720,000	826,400
4 Meetings	237,400	236,000	280,000
Sub-total secretariat administrative services [a]	6,897,098	6,125,578	8,742,809
5 Accreditation [b]	567,050	485,000	542,300
6 Readiness Programme [c]	748,700	587,000	920,900
Total Board and Secretariat [a] + [b] + [c]	8,212,848	7,197,578	10,206,009
All amounts in US\$	FY23	FY23	FY24
	Approved revised	Estimate	Approved revised
AF-TERG AND ITS SECRETARIAT			
1 Personnel	612,552	577,732	675,625
2 Travel	108,744	61,487	112,006
3 General operations	115,000	102,577	116,879
4 Meetings	10,200	8,500	10,404
Sub-total management	846,496	750,296	914,913
5 Evaluation	638,469	674,474	700,729
Total AF-TERG and its secretariat	1,484,965	1,424,770	1,615,642
All amounts in US\$	FY23	FY23	FY24
	Approved	Estimated actual	Approved
TRUSTEE			
1 Monetization	180,000	180,000	180,000
2 Financial and Program Management	320,000	300,000	320,000
3 Investment Management	256,500	314,300	283,200
4 Accounting and Reporting	58,000	58,000	58,000
5 Legal Services	64,000	55,000	64,000
Total trustee	878,500	907,300	905,200
GRAND TOTAL ALL COMPONENTS	10,576,313	9,529,648	12,726,851

ANNEX V

DIALOGUE WITH CIVIL SOCIETY, 23 March 2023, BONN, GERMANY

1. The Chair of the Adaptation Fund Board, Antonio Navarra (Italy, Western European and Others), invited the Board to enter into a dialogue with civil society organizations.
2. Julissa Brisseño, Fundación Hondureña de Ambiente y Desarrollo Vida, gave an assessment of the “Ecosystem-based adaptation at communities of the Central Forest Corridor in Tegucigalpa” project in Honduras, being implemented by the Ministry of Environment of Honduras. The objective of the project was to increase the climate resilience of vulnerable communities in the Central Forest Corridor. While it was a good project, there had been difficulties and limitations with its implementation: the project had been ambitious and it had been difficult to accomplish its goals; the coronavirus disease (COVID-19) pandemic had reduced the time available for completion; changes in government had led to changes in administrative structure; and the development of strategic relationships with stakeholders and multi-stakeholders had been slow. On the positive side, a number of opportunities had been created and a new structure had been developed that allowed for results-based management as well as for linkages with governmental institutions and national projects. In addition, relationships with national authorities and community organizations had improved and there was now an active board that took project decisions, as well as a willingness by non-governmental organizations to support the specific project outputs.
3. She made a number of observations stemming from the project review and said that the availability of local institutions to be involved with a project and their commitment to the project should be verified during project approval. The risk of a change in government had to be taken into consideration and a request made for transition funding for those cases. Policy development and local and national capacity-building projects were slow processes that involved more risk and took longer to develop, but despite those higher risks it was important that they continue to be implemented.
4. Bertha Aguerta, Germanwatch, provided a general update on the Adaptation Fund Civil Society Network’s governance structure and recommendations. She said that the extension of the role of intermediary under the readiness programme to multilateral implementing entities (MIEs) and regional implementing entities (RIEs) presented a conflict-of-interest risk. The readiness grants existed to provide capacity-building to national implementing entities (NIEs) and help them to gain access to funding from the Adaptation Fund. It had been observed that there was often weaker engagement by MIEs and RIEs when working with national authorities when compared with the experience of working with NIEs. MIE culture was not especially conducive to building sustainable local capacity, as MIEs tended to engage international consultants instead fostering local ones. MIEs and RIEs also tended to have higher administrative costs, which meant that less funding was available for capacity-building or readiness activities. South-South cooperation was a better alternative and should be enhanced.
5. She supported the diversification of the venues for Board meetings; holding one meeting each year in alternating developing countries would allow members of civil society in those countries to attend the meetings. That would be especially useful when a country had Adaptation Fund projects under implementation. Meetings held in developing countries should be open to all observers.

6. In closing, she welcomed the proposed guidelines of the Adaptation Fund for engaging with civil society but called for the opportunity to comment on draft policy. She expressed the hope that the Adaptation Fund would provide for active observers from civil society, as other funds had done.

7. During the discussion, members noted that aside from limitations related to COVID-19, all the limitations described arose from obvious risks that should have been provided for in the project proposal. Every project faced the same risks. In addition, the issue of changes in government and the possible effects of that on projects had been flagged for the project in Honduras, and should have been factored into project preparation and implementation. Policy development and capacity-building were long-term aspects that went beyond the life of the projects and were not often given due importance.

8. One member also pointed out that while the role of civil society was invaluable, organizations could currently comment on projects being considered by the Board but had not commented on any of the projects currently under consideration, which was a recurring pattern. The issue of opening up committee and Board meetings to active participation of civil society observers had been suggested before but it was unclear how participants would be selected. The present observers were not passive, they were active, and a different term would be required. The secretariat should be asked to prepare a paper on the role of observers and their new functions, as well as on how they could be selected and what that might cost. Civil society organizations had considerable expertise and knowledge and their absence from Board meetings was not helpful.

9. With respect to the conflict between MIEs, RIEs, NIEs and designated authorities, members pointed out that MIEs tended to concentrate on much larger projects with multiple partners while NIEs tended to focus on purely national projects. While there might be weak engagement between them, it was not clear when they were supposed to interact. Competition between them did not serve the interests of the NIEs, however, and that needed to be examined further. That competition was a reality, and the Fund needed to continue to strengthen the NIEs, as they were the ones that understood the local realities and would do a better job at less cost. MIEs brought with them capacity and experience that went beyond what was available locally and it was sometimes preferable to choose them, but with respect to readiness it was important to give preference to NIEs. The Board needed to promote South-South cooperation.

10. The representative of Germanwatch said that the lack of comments from civil society was due to a lack of resources; such activities were time- and labour-intensive and required support. She also confirmed that where funds allowed active observer participation in their meetings the observers were self-appointed; important lessons could be learned from those other funds.

11. The Chair thanked the civil society organization representatives for their presentations and recommendations and recalled that the Board would be discussing the participation of civil society in the work of the Board under agenda item 11 (b).