



ADAPTATION FUND

AFB/B.41/11
27 December 2023

Adaptation Fund Board
Forty-first meeting
Bonn, Germany
12–13 October 2023

REPORT OF THE FORTY-FIRST MEETING OF THE ADAPTATION FUND BOARD

Introduction

1. The forty-first meeting of the Adaptation Fund Board (the Board) was held in person in Bonn, Germany, on 12 and 13 October 2023, back-to-back with the thirty-second 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.41/Inf.3.

Agenda Item 1: Opening of the meeting

3. Vice-Chair of the Adaptation Fund Board (Board), Mr. Lucas di Pietro (Argentina, Non-Annex I Parties) opened the meeting at 9.00 a.m. on 10 October 2023 for an organizing session, and suspended the meeting after taking up agenda item 16 “Election of Outstanding Officers” under which an alternate member of the Board was appointed who would be required to sign the written oath of service, as mandated by the rules of procedure of the Board.
4. The Vice-Chair welcomed the new alternate member

Ms. Frida Jangsten (Sweden, Western European and Others) replacing Mr. Mattias Broman (Sweden, Western European and Others).

Agenda Item 2: Organizational matters

a) *Adoption of the agenda*

5. The Board adopted the provisional agenda set out in document AFB/B.41/1/Rev.1 as the agenda for its forty-first meeting (see annex II).

6. No other matters were raised when adopting the agenda.

b) Organization of work

7. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.41/2) and adopted the organization of work proposed by the Chair, Mr. Antonio Navarra (Italy, Western European and Others).

8. The Chair reminded the Board that one of the items on the agenda was the election of officers for the next period of office, and he encouraged members to consult within their constituencies on nominations to the Board.

9. Those members and alternate members with conflicts of interest declared them.

Agenda Item 3: Report on the activities of the Chair

10. The Chair, Mr. Antonio Navarra (Italy, Western European and Others) presented the report on the activities undertaken on the Board's behalf during the intersessional period between the Board's fortieth and forty-first meetings, as more fully described in document AFB/B.41/Inf.4.

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

Agenda Item 4: Report on the activities of the secretariat

12. The Manager of the secretariat reported on the activities of the secretariat during the intersessional period (AFB/B.41/3).

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

Agenda Item 5: Dialogue with the Executive Secretary of the UNFCCC

14. Mr. Simon Stiell, Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), shared with the Board his perspective on the Fund's relationship with the Paris Agreement in the period up to the twenty-eighth meeting of the Conference of the Parties to the UNFCCC. He particularly stressed the importance of financing in addressing the climate crisis, and that, in order to build trust, contributors needed to provide stronger assurances that the US\$ 100 billion climate finance commitment would be honoured. He further highlighted that it was important to address the perception that support for adaptation diverted resources away from mitigation efforts, as adaptation and mitigation projects must be implemented in parallel. The UNFCCC was seeking to scale up support for stakeholders, including the Adaptation Fund, the Global Environment Facility (GEF) and the Green Climate Fund (GCF), which could benefit from the broader overview of the UNFCCC of efforts to combat climate change.

15. Responding to members' questions and comments, he said that the global goal on adaptation, a major deliverable of the twenty-eighth meeting of the Conference of the Parties, would provide greater clarity on, and a better understanding of, the importance of adaptation efforts, for which financing and capacity must be scaled up over the coming decades. Further, work was needed

to complete and improve the quality of national adaptation plans in developing countries in order to ensure access to funding, and more creativity was required to attract investment from the private sector.

16. The Board took note of the presentation by Mr. Stiell.

Agenda Item 6: Report of the Accreditation-Panel

17. The Chair of the Accreditation Panel, Ms. Patience Dampsey (Ghana, Africa), presented the report of the Panel's fortieth meeting (AFB/B.41/4). She reported that the Fund had 55 accredited implementing entities, of which 32 were national (NIEs), nine were regional (RIEs) and 14 were multilateral (MIEs). In terms of the geographic coverage of the national and regional implementing entities, 15 were in Latin America and the Caribbean, 14 in Africa, 11 in Asia and one in Eastern Europe. Ten national implementing entities were in least developed countries and seven were in small island developing States. Of the Fund's 55 implementing entities, 36 had been reaccredited by the Fund, consisting of 19 national, six regional and 11 multilateral entities.

Fast-track re-accreditation of the Ministry of Finance and Economic Management (MFEM) of Cook Islands as National Implementing Entity of the Adaptation Fund

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 (the Board) decided to reaccredit the Ministry of Finance and Economic Management (MFEM) of Cook Islands as a national implementing entity of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 13 October 2028.

(Decision B.41/1)

Gap Analysis of the accreditation and re-accreditation process

19. Having considered Decision B.34/46, paragraph (d) and the recommendation of the Accreditation Panel, and given the continuing evolution of the GCF and Adaptation Fund accreditation and reaccreditation processes and related policies, the Adaptation Fund Board (the Board) decided to request the secretariat to assess, in collaboration with the Accreditation Panel, the accreditation framework of the Green Climate Fund (GCF), including a gap analysis, and present the results of its assessment to the Board at its forty-second meeting.

(Decision B.41/2)

Agenda item 7: Report of the thirty-second meeting of the Project and Programme Review Committee

20. The Chair of the PPRC, Ms. Sylviane Bilgischer (Belgium, Western European and Others) presented the report of the work of the PPRC at its thirty-second meeting and introduced the recommendations that it had made to the Board (AFB/PPRC.32/31).

21. The Board took note of the report of the PPRC and adopted the decisions below on matters considered by the PPRC at its thirty-second 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 projects and programmes proposals

Fully-developed proposals:

Proposals from Regional Implementing Entities (RIEs)

Peru: 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; (Fully-developed project proposal; Development Bank of Latin America (CAF); AF00000340; US\$ 5,361,666)

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

- (a) Approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Development Bank of Latin America (CAF) to the request made by the technical review;
- (b) Approve the funding of US\$ 5,361,666 for the implementation of the project, as requested by CAF; and
- (c) Request the secretariat to draft an agreement with CAF as the regional implementing entity for the project.

(Decision B.41/3)

Proposals from Multilateral Implementing Entities (MIEs)

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)

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

- (a) 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) Approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by IFAD; and

- (c) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Decision B.41/4)

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\$ 7,561,131)

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

- (a) 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) Approve the funding of US\$ 7,561,131 for the implementation of the project, as requested by UN-Habitat; and
- (c) Request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project.

(Decision B.41/5)

Libya: Resilience to Negative Impacts of Climate-Aggravated Water Scarcity in the Agriculture Sector in Libya (RENEWAL) (Fully-developed project proposal; International Fund for Agricultural Development (IFAD); AF00000315; US\$ 9,995,758)

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

- (a) 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) Approve the funding of US\$ 9,995,758 for the implementation of the project, as requested by IFAD; and
- (c) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Decision B.41/6)

Single Country Concepts

Proposals from National Implementing Entities (NIEs)

Honduras: Constructing Resilience Together to Face Climate Change and Variability in Western Honduras (Concept note; Comisión de Acción Social Menonita (CASM); AF00000350; US\$ 4,000,000)

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

- (d) Endorse the concept note as supplemented by the clarification responses provided by the Comisión de Acción Social Menonita (CASM) to the request made by the technical review;
- (e) Request the secretariat to notify CASM 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 integrate and further elaborate on the gender related activities as part of the project component;
 - (i) The fully-developed project proposal should include a clear description of alternative options to the proposed measures, as well as a detailed comparative analysis of the cost-effectiveness to such possible interventions, with quantitative estimates;
 - (ii) The fully-developed proposal should contain a detailed description of the technical standards that the early warning system (EWS) instruments and other project activities would need to comply with, as well as specify the steps that the project will undertake to ensure compliance with these standards and regulations;
- (f) Approve the project formulation grant of US \$50,000;
- (g) Request CASM to transmit the observations under subparagraph (b) to the Government of Honduras; and
- (h) Encourage the Government of Honduras to submit, through CASM, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.41/7)

Proposals from regional implementing entities (RIEs)

Bangladesh: Green, Resilient and Adaptive Chattogram Economy (GRACE) - LoCALplus (Concept note; International Centre for Integrated Mountain Development (ICIMOD); AF00000347; US\$ 9,999,929)

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

- (a) Endorse the concept note as supplemented by the clarification responses provided by the International Centre for Integrated Mountain Development (ICIMOD) to the request made by the technical review;

- (b) Request the secretariat to notify ICIMOD of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) The fully-developed project proposal should contain a further refined and developed investment menu and provide additional information on its cost-effectiveness;
 - (ii) The fully-developed project proposal should contain more detailed information regarding local tribe groups and groups with disabilities in the project area;
 - (iii) The fully-developed project proposal should provide details on the comprehensive and gender-responsive consultations that would be undertaken during the project development phase, including the concerns raised by women, indigenous groups and other vulnerable groups;
- (c) Request ICIMOD to transmit the observations under subparagraph (b) to the Government of Bangladesh; and
- (d) Encourage the Government/s of Bangladesh to submit, through ICIMOD, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.41/8)

Pakistan: Sustainable Actions for Ecosystems Restoration (Concept note; International Centre for Integrated Mountain Development (ICIMOD); AF00000348; US\$ 9,995,275)

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

- (a) Endorse the concept note as supplemented by the clarification responses provided by the International Centre for Integrated Mountain Development (ICIMOD) to the request made by the technical review;
- (b) Request the secretariat to notify ICIMOD of the observations in the review sheet annexed to the notification of the Board's decision;
- (c) Request ICIMOD to transmit the observations under subparagraph (b) to the Government of Pakistan; and
- (d) Encourage the Government of Pakistan to submit, through ICIMOD, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.41/9)

Uruguay: Increasing Socio-ecological Resilience in the Uruguayan Coastal Zone and Strengthening the Adaptive Capacity of its Infrastructure: (REACC COSTAS) (Concept note; Development Bank of Latin America (CAF); AF00000352; US\$ 10,000,000)

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

- (a) 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) Request the secretariat to notify CAF of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should provide more detailed information on the activities containing unidentified sub-projects in compliance with the Fund's guidance;
 - (ii) The fully-developed proposal should provide more detailed analyses and quantitative estimates of cost-effectiveness of the proposed adaptation measures compared to alternative options;
 - (iii) The fully-developed proposal should provide additional information to substantiate its sustainability aspects;
- (c) Request CAF to transmit the observations under subparagraph (b) to the Government of Uruguay; and
- (d) Encourage the Government of Uruguay to submit, through CAF, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.41/10)

Regional project and programme proposals

Fully-developed proposals

Proposals from multilateral implementing entities (MIEs)

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)

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

- (a) Reject the fully-developed project proposal, as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) on the request made by the technical review; and

- (b) Request UN-Habitat to transmit the Board Decision to the Governments of Azerbaijan and Islamic Republic of Iran.

(Decision B.41/11)

Concept notes

Proposals from multilateral implementing entities (MIEs)

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)

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

- (a) 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) Request the secretariat to notify IFAD of the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
 - (i) The fully-developed proposal should include more detailed information on indigenous and marginalized communities;
 - (ii) The fully-developed project proposal should document the comprehensive and gender responsive consultations process to be undertaken during the proposal development phase;
- (c) Approve the project formulation grant of US\$ 50,000;

- (d) Request IFAD to transmit the observations under subparagraph (b) to the Governments of Angola and Namibia; and
- (e) Encourage the Governments of Angola and Namibia to submit, through IFAD, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.41/12)

Pre-concept notes

Proposals from multilateral implementing entities (MIEs)

Malaysia and the Philippines: Strengthening Climate Resilience and food security through South-South Cooperation in adaptive rice production in Malaysia and the Philippines; (Pre-concept note; United Nations Industrial Development Organization (UNIDO); AF00000354; US\$ 13,779,500)

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

- (a) Endorse the pre-concept note as supplemented by the clarification responses provided by the United Nations Industrial Development Organization (UNIDO) to the request made by the technical review;
- (b) Request the secretariat to notify UNIDO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
 - (i) The concept note should integrate the rationale for the selection of countries in the main proposal document;
- (c) Approve the project formulation grant of US\$ 20,000;
- (d) Request UNIDO to transmit the observations under subparagraph (b) to the Governments of Malaysia and the Philippines; and
- (e) Encourage the Governments of Malaysia and the Philippines to submit, through UNIDO, a concept note that would also address the observations under subparagraph (b), above.

(Decision B.41/13)

(b) Review of enhanced direct access project proposal

Fully-developed project documents

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

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

- (a) 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) Approve the funding of US\$ 5,000,000 for the implementation of the project, as requested by PACT; and
- (c) Request the secretariat to draft an agreement with PACT as the national implementing entity for the project.

(Decision B.41/14)

(c) Report of the secretariat on the Intersessional Review Cycle for Readiness Grants

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

- (a) Request the secretariat to prepare an analysis on the possibility of broadening the scope, eligibility criteria and type of technical assistance grants available to national and regional implementing entities, and to present the report at the thirty-third meeting of the PPRC;
- (b) Update the review cycle for readiness grants as depicted in Figure 2 of document AFB/PPRC.32/30 and invite the implementing entities of the Adaptation Fund to submit responses to the initial technical review within two weeks of receiving the initial technical review; and
- (c) Request the secretariat to notify all the accredited implementing entities of the Fund of the updated review cycle.

(Decision B.41/15)

(d) Review of AFCIA Small Grants Programme proposals

Proposals for Adaptation Fund Climate Innovation Accelerator (AFCIA) small grants programmes

Global: Climate Adaptation Innovation Accelerator Programme (CAIAP) (Adaptation Fund Climate Innovation Accelerator small grants programme; World Food Programme (WFP); AF00000351; US\$ 10,000,000)

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

- (a) Approve the Adaptation Fund Climate Innovation Accelerator programme proposal, as supplemented by the clarification responses provided by the World Food Programme (WFP) to the requests made by the technical review;
- (b) Request WFP to further develop the metrics in the results framework of the proposal and report to the secretariat in the annual project performance reports;
- (c) Approve the funding of US\$ 10,000,000 for the implementation of the programme, as requested by WFP, and
- (d) Request the secretariat to draft an agreement with WFP as the multilateral implementing entity for the programme.

(Decision B.41/16)

Global: The Adaptation Small and Medium Enterprises Innovation Facility (ASIF) (Adaptation Fund Climate Innovation Accelerator small grants programme; United Nations Industrial Development Organization (UNIDO); AF00000355; US\$ 10,000,000)

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

- (a) Approve the Adaptation Fund Climate Innovation Accelerator programme proposal, as supplemented by the clarification responses provided by the United Nations Industrial Development Organization (UNIDO) to the requests made by the technical review;
- (b) Request UNIDO to further develop the metrics in the results framework of the proposal and report to the secretariat in the annual project performance reports;
- (c) Approve the funding of US\$ 10,000,000 for the implementation of the programme, as requested by UNIDO; and
- (d) Request the secretariat to draft an agreement with UNIDO as the multilateral implementing entity for the programme.

(Decision B.41/17)

(e) Review of AFCIA Coordination proposals

Response to the call to submit a proposal on extending coordination services

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

- (a) Request the United Nations Environment Programme (UNEP) to submit a revised proposal for consideration by the Board at its forty-second meeting; and
- (b) Request UNEP to further develop and adjust the proposal for a three-year period.

(Decision B.41/18)**(f) Full Cost of Adaptation Reasoning**

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

- (a) Request the Project and Programme Review Committee (PPRC) to continue considering the “*Draft guidance on optional cofinancing in the context of the Adaptation Fund*” as contained in document AFB/PPRC.32/21 and make an informed recommendation during its thirty-third meeting; and
- (b) Request the secretariat to present a report compiling the proposals that have included optional cofinancing for consideration by the PPRC at its thirty-third meeting.

(Decision B.41/19)**(g) Proposed adjustments on implementation fees and execution costs**

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

- (a) Approve the proposal for harmonization of implementing entity (IE) fees and execution costs as presented in para 38 of document AFB/PPRC.32/22;
- (b) Request the secretariat to:
 - (i) Prepare a guidance document compiling the relevant information related to costs and fees and add it to the project preparation documentation;
 - (ii) Revise the review templates for all windows and update any reference to the IE fees and execution costs, with a view to consistency and clarity;
 - (iii) Request the secretariat to monitor, over the next three review cycles, proposal submissions for the proposed use of eligible costs that may be charged under project components for specific types of projects that may need additional support during their implementation;
 - (iv) Consider, including through a consultative process, changes to the size of the project formulation grants for projects that require enhanced capacity building during the project preparation stage;

- (c) Report to the Board at its forty-fourth meeting on the observations made on items under sub paragraphs (b)(i)-(iii) above; and
- (d) Report to the PPRC at its thirty-third meeting on the observations made on item under sub paragraph (b)(iv) above.

(Decision B.41/20)

(h) Rolling-basis submissions: Progress report on the implementation of the pilot and proposals for updating Fund policies

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

- (a) Maintain the piloting of the rolling-basis submissions process for all funding windows, as described in document AFB/PPRC.31/60 and approved by decision B.40/59;
- (b) Request the secretariat to:
 - (i) Present to the PPRC at its thirty-third meeting a report on the implementation of the pilot with any recommendations for improvement, as appropriate, and including a table comparing the number of proposals submitted at each cycle;
 - (ii) Undertake a comprehensive revision of the Operational Policies and Guidelines to reflect all necessary changes due to the revision of the Fund's policies to-date, and with a view of better accommodating future changes of the policies of the Fund; and
 - (iii) Present the proposed draft revisions under the paragraph (b)(ii) above for consideration by the Board in its forty-third meeting.

(Decision B.41/21)

(i) Terms of reference for the establishment of the Adaptation Fund Technical Advisory Body on innovation

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

- (a) Request the secretariat, in consultation with the Innovation Task Force, to undertake an analysis of the current needs for external support for advisory services for innovation, taking into account the developments and progress under the medium-term strategy (MTS II) and its implementation plan;
- (b) Request the secretariat to present options for supporting any such needs, as identified in paragraph (a) above, including potential budget implications and governance arrangements;

- (c) Report the findings from (a) and (b) above to the PPRC at its thirty-third meeting.

(Decision B.41/22)

(j) Post approval project revisions

42. The representative of the secretariat introduced the following requests for project revisions.

Project extension request: Jordan (MOPIC)

43. Having considered the recommendation of the Project and Programme Review Committee the Adaptation Fund Board (the Board) decided to approve the request for an additional twelve-month extension of the project completion date from 13 January 2024 to 13 January 2025 for the project “Increasing the resilience of poor and vulnerable communities to climate change”.

(Decision B.41/23)

Project extension request: South Africa (SANBI)

44. Having considered the recommendation of the Project and Programme Review Committee the Adaptation Fund Board (the Board) decided to approve the request for a six-month extension of the project completion date from 30 September 2023 to 31 March 2024, for the project “Building Resilience in the greater uMngeni Catchment, South Africa”.

(Decision B.41/24)

Project extension request: Indonesia (Kemitraan)

45. Having considered the recommendation of the Project and Programme Review Committee the Adaptation Fund Board (the Board) decided to approve the request for a six-month extension of the project AFB/PPRC.32/27 completion date from 30 September 2023 to 31 March 2024, for the project “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province.

(Decision B.41/25)

Project extension request: Chile, Ecuador (CAF)

46. Having considered the recommendation of the Project and Programme Review Committee the Adaptation Fund Board (the Board) decided to approve the request for a twelve-month extension of the project completion date from 22 January 2025 to 22 January 2026, for the project “Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America”.

(Decision B.41/26)

Provision of direct project services and minor revisions of project implementation arrangements: Colombia, Ecuador (WFP)

47. Having considered the recommendation of the Project and Programme Review Committee the Adaptation Fund Board (the Board) decided to approve the request for the provision by the World Food Programme of no-additional-cost Direct Project Services and the revision to the project implementation arrangements at the field-level, for the project “Building adaptive capacity through food and nutrition security and peacebuilding actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area”.

(Decision B.41/27)

Agenda item 8: Report of the thirty-second meeting of the Ethics and Finance Committee

43. Mr. Kenrick Williams (Belize, Latin America and the Caribbean) presented the report of the EFC (AFB/EFC.32/11) in absence of Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States), the Chair of the EFC.

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

(a) Annual performance report for fiscal year 2023

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

- (a) Approve the Adaptation Fund annual performance report for the fiscal year 2023 as contained in document AFB/EFC.32/3; and
- (b) Request the secretariat to prepare a summarized version for the general public in a reader-friendly format, following the approval of the annual performance report by the Board.

(Decision B.41/28)

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

Approach to the work programme of the Technical Evaluation Reference Group of the Adaptation Fund for the period 2025–2027

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

- (a) Proceed with further consultations with members of the Ethics and Finance Committee (EFC) and with the secretariat to refine a shortlist of thematic priorities;
- (b) With respect to decision B.38/48, prepare a draft second work programme for the period 2025–2027 for consideration by the EFC at its thirty-third meeting, including an analysis of its budget implications in line with the Evaluation Policy and the second implementation plan for the medium-term strategy;

(c) Develop a multi-year budget of implementing the work programme, for inclusion in the annual administrative budget of the Technical Evaluation Reference Group (AF-TERG) and its secretariat for consideration by the EFC; and

(d) Submit to the EFC at its thirty-third meeting, a revised terms of reference for the AF-TERG that fits its renewed roles and responsibilities under the Evaluation Policy and considers the implications of implementing the second work programme.

(Decision B.41/29)

(c) Review of implications and options for evaluation costs and evaluation budget guidance

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

(a) Take note of the report on the review of budget implications and options for evaluation policy implementation as contained in document AFB/EFC.32/10;

(b) Request the implementing entities to set the overall evaluation budget for proposed projects and programmes at 1 to 5 per cent of the project or programme budget, to be counted towards the implementing entity fee, starting from the forty-second meeting of the Board;

(c) Invite the implementing entities to consider “Proposed new structure of project evaluation cost” referred to in paragraph 30 of document AFB/EFC.32/10 as a guidance for allocating funding for evaluation activities;

(d) Request the secretariat to:

(i) Update the “Instructions for Preparing a Request for Project Funding” contained in Annex 5 to the Operational Policies and Guidelines accordingly and submit it to the forty-second meeting of the Board for consideration and approval;

(ii) Communicate the present decision to the implementing entities and ensure compliance during project reviews and monitoring; and

(iii) Report on the implementation of the new budget allocation for project evaluation budget to the Ethics and Finance Committee at its thirty-fourth meeting.

(Decision B.41/30)

(d) Report of the Chair of the Technical Evaluation Reference Group: Rapid evaluation of the Fund; and

(e) Management response to the rapid evaluation

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

- (a) Take note of the key findings and evidence gaps at the respective macro, meso and micro levels in the rapid evaluation synthesis framework and the inputs from the rapid evaluation for the preparation of the future comprehensive evaluation as contained in the report on the rapid evaluation of the Adaptation Fund referred to in chapter 7 of document AFB/EFC.32/.6/Rev.2, as well as the discussion during the thirty-second meeting of Ethics and Finance Committee (EFC) and forty-first meeting of the Board and the management response contained in document AFC/EFC.32/.8 when developing the terms of reference of the comprehensive evaluation of the Fund to be prepared in accordance with decision B.39/57;
- (b) Request the secretariat, in consultation with the Technical Evaluation Reference Group of the Adaptation Fund, to prepare an action plan to respond to the findings arising from the rapid evaluation mentioned above, for consideration by the Board during the intersessional period between the forty-first and forty-second meetings of the Board; and
- (c) Request the secretariat to report to the EFC, at its thirty-third meeting, on the progress made in implementing the action plan.

(Decision B.41/31)

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

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

- (a) Take note of the update report contained in document AFB/EFC.32/10 and its annexes;
- (b) Reiterate the Board's request to the United Nations Development Programme (UNDP) as contained in decision B.40/68, subparagraph (c) (i) and (ii), below;
- (c) Request the secretariat to:
 - (i) Continue engaging with UNDP with a view to ensuring that all completed projects funded by the Adaptation Fund and implemented by the UNDP are financially closed, and that final audited financial statements including the implementing entity fee, are prepared and submitted in compliance with the Adaptation Fund's Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund and the project legal agreements signed between the Board and the UNDP; and
 - (ii) To provide an update on the matter referred to in paragraph (b) to the Ethics and Finance Committee at its thirty-second meeting.

(Decision B.41/32)

(g) Request for a revision of legal agreement

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

- (a) Take note of the update as contained in document AFB/EFC.32/9 including the response letter from the Food and Agriculture Organization of the United Nations (FAO) as contained in Annex 2 of document AFB/EFC.32/9;
- (b) Recall decision B.40/70, paragraph b) 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 an individual IE's requests or to make an exception exclusively for an individual IE;
- (c) Request the secretariat to send letters to the relevant designated authorities informing them about the Board decision on relation to the legal issues raised by FAO; and
- (d) Request the secretariat to communicate to FAO the present decision.

(Decision B.41/33)

Agenda Item 9: [Cancelled agenda item]

51. The agenda item was cancelled.

Agenda Item 10: Issues remaining from the earlier meetings:

(a) Options to further enhance civil society participation and engagement in the work of the Board

52. The representative of the secretariat presented documents on options to further enhance civil society participation and engagement in the work of the Board, prepared pursuant to Decision B.40/75. The documents contained an updated draft Adaptation Fund Vision and Guidelines on Enhanced Civil Society Engagement (AFB/B.41/5) and the draft guidelines for participation of active civil society observers (B.41/5/Add.1). Based on the features of active civil society observers suggested by the Adaptation Fund Civil Society Network and its comparable practices of other climate funds such as the GCF, the Climate Investment Funds (CIFs) and GEF, the options of the possible features for active civil society observers of the Fund were presented by the secretariat. The presented features included the options that the active civil society observers took the floor and intervened during the open segments of Board meetings, and that the Board provided active civil society observers with financial support for their participation in Board meetings when they were from developing countries. The secretariat mentioned that whether the Board allowed active civil society observers in the EFC and PPRC deserved careful consideration of the Board. The representative of the secretariat said that if the Board would reach an agreement on the implementation of the guidelines presented above, necessary funds such as travel costs for active civil society observers and costs for the website revamping could be included in the budget for fiscal year 2025.

53. Concerns were raised by several Board members regarding: the need to disclose of the reasons for holding closed sessions of the Board; the composition of civil society organizations,

potential conflicts of interest; the need for confidentiality, and the risks associated with conferring “active” participant status on observers. Funding the travel costs of civil society also needed more thought and discussion.

54. Responding to the question from a Board member, the representative of the secretariat explained that, in accordance with the Fund’s Rules of Procedure, all observers including active civil society observers would need to be representatives from the registry of accredited observer entities being kept by the UNFCCC Secretariat.. Other concerns included why civil society should have self-selected its own representatives for participation in the meetings of the Board, that the definition of civil society should have been broadened, possibly also including representatives from the private sector, and that the Fund had already made arrangements to accommodate the requests of civil society to be allowed to comment of project proposals before the Board considered them.

55. Some Board members supported the participation and intervention of active civil society observers during the committee meetings, which would enable committee members to consider inputs from the active observers in a timely manner before the committee made a recommendation to the Board. Other Board members raised several concerns in opening committee meetings to active civil society observers and expressed that more thought had to be given to the process for recognizing the status of civil society observers and their participation in committee meetings of the Board.

56. As it was an evolving issue, where opinions were shifting, it was suggested that there should be more consultation before such a decision was taken, either intersessionally or at the next meeting of the Board.

57. Having considered the information contained in document AFB/B.41/5 and AFB/B.41/5/Add.1, the Adaptation Fund Board (the Board) decided to continue the discussion on options to further enhance civil society participation and engagement in the work of the Board at the forty-second meeting of the Board.

(Decision B.41/34)

(a) Carbon footprint of the Fund

58. The representative of the secretariat presented options for reducing the carbon footprint of the Fund, as per Decision B.40/79. The options included measurement and reporting of the carbon footprint for the administrative operations of the Fund, green budgeting, and new reporting requirements for the projects and programmes as more fully described in document AFB/B.41/6.

59. Following her presentation, she responded to a number of comments and questions from members. Drawing attention to the reporting option for carbon footprint of projects and programme, she said that implementing entities could provide qualitative, rather than quantitative, information on their carbon footprint on a voluntary basis according to their organizational status of the carbon management. As for the carbon footprint of the administrative functions of the Fund, World Bank data would be used to report for Scopes 1, 2 and 3 in accordance with the Greenhouse Gas Protocol.

60. In the ensuing discussion, members expressed concerns regarding the burden that reporting on carbon management systems might place on implementing entities, especially those in developing countries, and the cost to the Fund in terms of financial and human resources. Questions were also raised as to how multilateral implementing entities would differentiate the carbon emissions involved in implementing the Fund's projects from those of their other projects. Other members noted that failing to determine the Fund's carbon footprint could pose a reputational risk, and that quantifying emissions was the key to reducing them. The World Bank and similar institutions disclosed their carbon footprint; it was unclear why the Adaptation Fund should be an exception. Further discussion was required as no consensus had been reached on this agenda item.

61. Having considered the information contained in document AFB/B.41/6, the Adaptation Fund Board (the Board) decided to continue the discussion on the carbon footprint of the Fund at the forty-second meeting of the Board.

(Decision B.41/35)

(c) 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)

(i) Outputs of independent review of the Environment and Social Policy (ESP) and its proposed update

62. The representative of the secretariat presented the independent review of the Environment and Social Policy of the Fund (ESP) contained in document AFB/B.41/7 which had been prepared pursuant to Decision B.40/80(a) and consisted of background and a summary of the ESP review as well as the stakeholder surveys (main document), the outcome of the independent review of the ESP (Annex 1); and the results of the stakeholder surveys on the ESP including the verbatim responses of the respondents (Annex 2).

63. At the Sharm el-Sheikh Climate Change Conference the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventeenth session (CMP 17) had "requested the Adaptation Fund Board (the Board) to review and update the environmental and social safeguard policy of the Adaptation Fund, as needed" (Decision 5/CMP.17, para.15). In response to that mandate, the Adaptation Fund Board (the Board) had taken decision B.40/80(a) and in response to that decision B.40/80, the secretariat had commissioned an independent review, engaged an environmental and social safeguard expert, and launched a series of the stakeholder surveys : the Board, the Implementing Entities (IEs), the Designated Authorities (DAs) and the Adaptation Fund Civil Society Organization Network.

64. Mr. Charles Di Leva, an adjunct professor at American University's Washington College of Law, and formerly the Chief Officer for Environmental and Social Standards at the World Bank, chief counsel of the Environmental and International Law Practice Group in the World Bank and legal advisor to the Climate Change Solutions Area and Environment and Natural Resources Global Practice Group, remotely presented the summary outcome of the independent review of the ESP that he had undertaken, which is more fully described in annex 1 to document AFB/B.41/7. The

review aimed to examine whether the ESP and its guidance document are generally in line with the practice of other leading institutions which are active in climate finance such as the World Bank, the International Finance Corporation (IFC), the GCF, the UNDP, and IFAD. While presenting general recommendations and specific recommendations to each principle of the ESP, he also mentioned that the recommendations need to be considered in light of how the Adaptation Fund is distinct, including its financing modality, size of projects and programmes, and comparatively limited size of the secretariat; a desk review is inherently limited in fully understanding how the Fund's ESP principles are applied in the field, and the precise nature, degree, and categorization of the risks and impacts associated with the Fund-supported projects.

65. Some members of the Board expressed their gratitude on the comprehensive review of the ESP and supported the update of the ESP, while reiterating the importance of considering the Fund's unique features and operational framework when the ESP is updated. A member of the Board suggested whether the Sustainable Development Goals could be linked to the principles of the ESP given the importance of the SDGs.

66. Other members of the Board, however, were of the view that responses to some survey questions show that the current ESP provides adequate policy framework, and therefore, the ESP would not need to be updated. The representative of the secretariat explained that: (i) the update of the policy does not necessarily mean that the policy itself has a problem or has not worked well, but the policy can be updated to further improve the evolving standards; (ii) as an example, the Gender Policy was updated in 2021, not because it has had an issue or has not worked well, but just to further enhance the policy based on the independent assessment of the Gender Policy and stakeholder surveys: the original Gender Policy worked very well as the independent assessment of the Gender Policy and stakeholder surveys on the Gender Policy demonstrated; and (iii) the results of the survey would need to be interpreted with a caveat that the number of respondents, particularly implementing entities: out of 55 IEs, only 19 responded to the survey. A member of the Board stated that: (i) the creation of the Fund had entailed many difficult negotiations and the policies that it had developed reflected the Fund's unique vocation; (ii) while it was necessary to ensure that the policies were 'fit for purpose', that could be achieved in many different ways; (iii) the Fund did not need to simply adopt the procedures and policies of other organizations and the Fund's policy does not need to be identical to those of other funds, particularly if that made the situation worse for the Fund's stakeholders, who already understood and were satisfied with the current system. Instead, it needed to try to be innovative and responsive to the needs of its stakeholders.

67. A member of the Board raised a question on whether stakeholders' views should be obtained regarding whether the ESP needs to be updated or not before the Board decides on the update of the ESP. The representative of the secretariat recalled the usual practice of updating the Fund's policies, in which the Board could decide whether certain policy needed to be updated or not based on the stakeholders' views obtained, e.g. through surveys and the assessment of the policy. Regarding the ESP, the stakeholder surveys and the independent technical review were conducted to help the Board discuss and decide whether to update the ESP or not.

68. Another member of the Board mentioned that in order to understand whether there was such a need, the Board would need to discuss any suggested changes. It had to ensure that the suggested changes would actually improve the policies while the goal should be to make the policies simpler

and not more complex. Some were of the view that it would be useful to have the secretariat update the document to better foster discussion, but others said that the document should not be updated until the Board had held some preliminary discussion and could give better guidance to the secretariat.

69. In response to query as to whether the current policy was a hinderance to the operation of the Fund, the Manager of the secretariat said that as of yet the current Environmental and Social Policy had been functional for the Fund and no hindrance had been observed.

70. The Board recalled the mandate from decision 5/CMP.17, paragraph 15, that the Board is requested to review and update the ESP as needed, and following the discussions, agreed to continue its consideration on the possibility of updating the ESP at the forty-second meeting.

71. Having considered document AFB/B.41/7 and its annexes 1 and 2, the Adaptation Fund Board (the Board) decided to:

- (a) Take note of the independent review of the Adaptation Fund Environmental and Social Policy (ESP) and the results of the stakeholder surveys as contained in annexes 1 and 2 to document AFB/B.41/7, respectively;
- (b) Continue its consideration on the possibility of updating the ESP at the forty-second meeting, recalling decision 5/CMP.17, paragraph 15; and
- (c) Request the secretariat to prepare a background note taking into account the Board's discussions at the forty-first meeting, the independent review of the ESP and the results of the stakeholder surveys contained in annexes 1 and 2 to document AFB/B.41/7, respectively.

(Decision B.41/36)

(ii) Options for a policy on safeguarding against sexual exploitation and abuse and sexual harassment (SEAH)

72. The representative of the secretariat presented document AFB/B.41/8/Rev.1, which contained an overview of contemporary institutional commitments and policies to safeguard against sexual exploitation, abuse and harassment (SEAH), a study with a view to exploring options for developing the Fund's own policy, and a summary of various organizations' existing policies and frameworks. While presenting an overview of the current trend of the SEAH policy of the eleven organizations, she mentioned that organizations ranging from climate funds to international financial institutions, development organizations, humanitarian organizations, the private sector, international non-governmental organizations and many governments/donor agencies have in place comprehensive policies, strategies, and measures to prevent and address sexual exploitation, abuse and harassment (SEAH), protect victims and whistle-blowers, and to ensure that all stakeholders hold one another accountable, recognizing the importance of addressing the issue of concern.

73. She presented two potential options for the Fund to develop SEAH policy: (i) developing a standalone policy to prevent and protect from SEAH; or (ii) without a standalone SEAH policy, incorporating elements and measures to address SEAH into the existing policies and framework.

Out of 11 organizations that the secretariat had looked into, 9 organizations had adopted a standalone policy on safeguarding against SEAH and they had also incorporated SEAH elements into their relevant policies and operations. She explained that both options would provide an opportunity for the Fund to affirm its commitment to sustainable climate adaptation that ensures that its supported projects do not exacerbate existing gender gaps and achieve equality and the empowerment of all the vulnerable groups. In addition, even if option (i) is selected, Fund's other relevant policies would need to be aligned with a policy on safeguarding against SEAH for coherence, accountability and integrity.

74. The representative of the secretariat explained that currently there was no policy in the Fund which would directly address SEAH issues, and only the revised Gender Guidance Document for Implementing Entities mentioned both SEAH and gender-based violence. In addition, in considering whether to develop a SEAH policy of the Fund, it would be necessary to consider and assess: (i) the cost and investment of designing and implementing of SEAH framework and policy; (ii) potential risks of not having a SEAH policy; and (iii) how the policy or its elements would be organized in the context of the Fund's broader policy framework.

75. Responding to queries by members of the Board, the representative of the secretariat explained that World Bank's policies safeguarding against sexual exploitation, abuse and harassment applied to secretariat staff, and this would be considered when developing SEAH policy if the Board decides to do so, and the secretariat is of the view that the Fund's SEAH policy would not conflict with the current coverage of the secretariat staff under the World Bank's policies. There was, however, no policy or procedure to cover the Fund's other key stakeholders. If the Board decided to develop a SEAH policy of the Fund, the secretariat would be responsible for drafting such a policy, taking into account input from stakeholders, and the draft would subsequently be submitted to the Board for consideration. While some elements aimed to address sexual exploitation, abuse and harassment could be incorporated into the Environmental and Social Policy, a stand-alone policy would be recommendable in that such policy would be an avenue where the Fund could explicitly declare the Fund's commitment to zero-tolerance against SEAH.

76. While some members supported the initiative of developing a SEAH policy for the Fund, other members stressed the importance of clearly defining the concept of sexual exploitation, abuse and harassment, especially in view of varying cultural norms and sensitivities in different countries. Further consultations and discussions were required with stakeholders, including implementing entities, on the matter.

77. Recalling the mandate from decision 4/CMP. 17, paragraph 13 and decision 18/CMA.4, paragraph 21 which requested the Board to adopt a policy on safeguarding against sexual exploitation and abuse and harassment, the Board agreed to continue its consideration of options for responding to the mandate to adopt a policy on safeguarding against SEAH.

78. Having considered document AFB/B.41/8/Rev.1 and its annex, the Adaptation Fund Board (the Board) decided to:

- (a) Take note of the options and suggested considerations for a policy on safeguarding against sexual exploitation and abuse and sexual harassment (SEAH) outlined in document AFB/B.41/8/Rev.1 and its annex which were prepared in response to decision B.40/81;
- (b) Continue its consideration of options for responding to the mandate to adopt a policy on safeguarding against SEAH contained in decisions 4/CMP.17, paragraph 13 and decision 18/CMA.4, paragraph 21; and
- (c) Request the secretariat to support the Board's consideration by preparing a background note which includes elaboration of definitions and their application as well as potential approach and process to respond to the mandate referred to in paragraph (b), taking into account the Board's discussions at the forty-first meeting.

(Decision B.41/37)

(iii) Status of preparation of the arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement, and (iv) Status of development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs)

79. The representative of the secretariat presented the arrangements for the Fund's transition from the Kyoto Protocol to the Paris Agreement contained in document AFB/B.41/9 and its annexes and addendum. She recalled decision 13/CMA.1 which decided that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to decision on this matter by the CMP. She also recalled decision 1/CMP.14 made in December 2018, that the Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available. At its fortieth meeting, the Board had decided to request the secretariat to continue consultations with the secretariat of the UNFCCC and the trustee with a view to: (i) the timely preparations of the arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement; and (ii) the timely development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs), and report the status of the work at the forty-first meeting. In response to this decision, document AFB/B/41/9 was prepared and presented to the Board to report on the work on the arrangements for the Fund's transition, including: the terms and conditions for the trustee services of the World Bank as interim trustee, last amended in 2019; a memorandum of understanding (MoU) with the GEF for secretariat services to the Board, last amended in 2019; the Rules of the Procedure of the Adaptation Fund Board; the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, last amended in October 2022; and the Strategic Priorities, Policies, and Guidelines of the Adaptation Fund (SPPG), last amended in October 2022.

80. A representative of the UNFCCC secretariat explained the work of the supervisory body for Article 6.4 mechanism under the Paris Agreement, as well as the delays that had occurred in developing the rules and procedures for its implementation. He expected the mechanism to be effective as of 1 January 2024 with the transfer of resources under the mechanism to take place later that year. He said that while some of the CERs from the clean-development mechanism would be

retired, others would be transferred to the Article 6.4 mechanism and could be more readily available for monetization.

81. In response to a query about the process for signing a new MoU with the GEF, it was explained that the draft MoU would be prepared by the secretariat, in consultation with the secretariat of the GEF, and then it will be submitted to the Board for approval. Once the Board had approved the draft MoU, it would be submitted to the CMA for adoption and then to the GEF Council which usually holds meetings in December. In response to a query about the meaning of 'timely preparations for arrangements for the transition,' the representative of the secretariat explained that to minimize any disruption in the operations of the Adaptation Fund while it makes a transition to the Paris Agreement, the arrangements for the transition which take time and require consultations with the relevant stakeholders had better be prepared, if possible, before the Fund's transition.

82. Having considered document AFB/B.41/9 and its annexes and addendum, the Adaptation Fund Board (the Board) decided to:

(a) Request the secretariat:

(i) To continue consultations with the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), the trustee and any other relevant stakeholders with a view to preparing the arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement, as per decision 1/CMP.14 and decision 13/CMA.1, and report on the status of the work to the Board at its forty-second meeting;

(ii) To prepare draft amendments to the Memorandum of Understanding regarding secretariat services, the Rules of Procedure, the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, and the Strategic Priorities, Policies and Guidelines in the context of the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement and report on the status of the work to the Board at its forty-second meeting; and

(b) Request the secretariat and the trustee to continue consultations with the secretariat of the UNFCCC and any other relevant stakeholders with a view to the timely development of a new terms and conditions for the trustee services and 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-second meeting.

(Decision B.41/38)

Agenda Item 11: Knowledge management, communications and outreach

83. Due to a lack of time the agenda item was not discussed.

Agenda Item 12: Election of officers for the next period of office

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

- (a) Mr. Lucas di Pietro (Argentina, Non-Annex I Parties) as the Chair of the Board;
- (b) Mr. Ali Daud Mohamed (Kenya, Africa) as the Vice-Chair of the Ethics and Finance Committee (EFC);
- (c) Mr. Ahmadou S. Toure (Guinea, Non-Annex I) as the Chair of the Project and Programme Review Committee (PPRC);
- (d) Mr. Naresh Sharma (Nepal, Least Developed Countries) as the Vice-Chair of the Accreditation Panel; and
- (e) the Vice-Chair of the Board, the Chair of the EFC, the Vice-Chair of the PPRC, and the Chair of the Accreditation Panel during the intersessional period or at the forty-second meeting of the Board.

(Decision B.41/39)

Agenda Item 13: Dialogue with civil society organizations

85. The agenda item was deferred to the forty-second meeting of the Board.

Agenda Item 14: Date and venue of meetings in 2024 and onwards

86. The Adaptation Fund Board (the Board) decided to hold its forty-third meeting from 8 to 11 October 2024 in Bonn, Germany.

(Decision B.41/40)

Agenda Item 15: Implementation of the code of conduct

87. 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 16: Election of outstanding officers

88. The Adaptation Fund Board (the Board) decided to appoint Ms. Frida Jangsten (Sweden, Western European and Others) as an alternate member of the Board replacing Mr. Mattias Broman (Sweden, Western European and Others).

(Decision B.41/41)

Agenda Item 17: Other matters

89. No other matters were raised.

Agenda Item 18: Adoption of the report

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

Agenda Item 19: Closure of the meeting

91. Following the customary exchange of courtesies, the Chair declared the meeting closed at 5.25 p.m. on 13 October 2023.

ANNEX I

ATTENDANCE AT THE FORTY-FIRST MEETING OF THE ADAPTATION FUND BOARD

MEMBERS		
Name	Country	Constituency
Patience Dampney	Ghana	Africa
Albara Tawfiq	Saudi Arabia	Asia-Pacific
Kenrick W. Williams	Belize	Latin America and the Caribbean
Ursula Fuentes Hutfilter	Germany	Western Europe and Others
Antonio Navarra	Italy	Western Europe and Others
Michai Robertson	Antigua & Barbuda	Small Island Developing States
Naresh Sharma	Nepal	Least Developed Countries
Marc-Antoine Martin	France	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
Sylviane Bilgischer	Belgium	Western Europe and Others
Frida Jangsten	Sweden	Western Europe and Others
Mani Mate	Cook Islands	Small Island Developing States
Kevin Adams	United States of America	Annex I Parties
Ahmadou Sebory Touré	Guinea	Non-Annex I Parties

ANNEX II

Adopted agenda of the forty-first meeting of the Adaptation Fund Board

1. Opening of the meeting.
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Report on activities of the Chair.
4. Report on activities of the secretariat.
5. Dialogue with the Executive Secretary of UNFCCC
6. Accreditation related matters.
7. Report of the thirty- meeting second of the Project and Programme Review Committee on:
 - a) Report of the secretariat on initial screening/technical review of project and programme proposals;
 - b) Report of the secretariat on initial screening/technical review of enhanced direct access project proposals
 - c) Report of the secretariat on initial screening/technical review of innovation small grant project proposals;
 - d) Report of the secretariat on the Intersessional Review Cycle for Readiness Grants;
 - e) Review of the Proposals to join the Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership;
 - f) Review of the Proposals to coordinate the Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership;
 - g) Full cost of adaptation reasoning;
 - h) Proposed adjustments on implementation fees and execution costs;
 - i) Rolling-basis submissions: Progress report on the implementation of the pilot and proposals for updating Fund policies;
 - j) Terms of reference for the establishment of the Adaptation Fund Technical Advisory Body for innovation;
 - k) Post-approval project revisions.
8. Report of the thirty-second meeting of the Ethics and Finance Committee on:
 - a) Annual performance report for fiscal year 2023;

- b) Financial issues;
 - c) Report of the Chair of the Technical Evaluation Reference Group;
 - d) Review of implications and options for evaluation costs and evaluation budget guidance;
 - e) Management response to the rapid evaluation;
 - f) Update on implications of the fiduciary issues related to the United Nations Development Programme;
 - g) Request for a revision of legal agreement;
 - h) Implementation matter 001.
9. [Cancelled agenda item].
10. Issues remaining from earlier meetings:
- a) Options to further enhance civil society participation and engage the work of the Board;
 - b) Carbon footprint of the Fund;
 - c) 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):
 - i. Outputs of independent review of the Environment and Social Policy (ESP) and its proposed update;
 - ii. Options for a policy on safeguarding against sexual exploitation and abuse and sexual harassment (SEAH);
 - iii. Status of timely transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement;
 - iv. Status of development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs).
11. Knowledge management, communications and outreach.
12. Election of officers for the next period of office.
13. Dialogue with civil society organizations.
14. Date and venue of meetings in 2023 and onward.
15. Implementation of the code of conduct.

16. Election of outstanding officers.
17. Other matters.
18. Adoption of the report.
19. Closure of the meeting.

ANNEX III

AFB41: SUMMARY OF FUNDING DECISIONS FOR PROJECTS AND PROGRAMMES AT THE FORTY-FIRST 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
RIE								
	Peru	CAF	AFB/PPRC.32/4		5,361,666		<i>Approved</i>	5,361,666
MIE								
	Central African Republic	IFAD	AFB/PPRC.32/5			10,000,000	<i>Approved</i>	10,000,000
	Lao PDR	UN Habitat	AFB/PPRC.32/6			7,561,131	<i>Approved</i>	7,561,131
	Libya	IFAD	AFB/PPRC.32/7			9,995,758	<i>Approved</i>	9,995,758
Sub-total, USD				-	5,361,666	27,556,889		32,918,555
2. Concepts: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Honduras	CASM	AFB/PPRC.32/8	4,000,000			<i>Endorsed</i>	0
RIE								
	Bangladesh	ICIMOD	AFB/PPRC.32/9		9,999,929		<i>Endorsed</i>	0
	Pakistan	ICIMOD	AFB/PPRC.32/11		9,995,275		<i>Endorsed</i>	0
	Uruguay	CAF	AFB/PPRC.32/10		10,000,000		<i>Endorsed</i>	0
Sub-total, USD				4,000,000	29,995,204	-		-
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								
	Honduras		AFB/PPRC.32/8/Add.1	50,000			<i>Approved</i>	50,000
Sub-total, USD				50,000	-	-		50,000
4. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Azerbaijan, Iran	UN Habitat	AFB/PPRC.32/12			14,000,000	<i>Rejected</i>	0
Sub-total, USD				-	-	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.32/13			14,000,000	<i>Endorsed</i>	0
Sub-total, USD				-	-	14,000,000		-

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.32/13/Add.1			50,000	Approved	50,000
Sub-total, USD				-	-	50,000		50,000
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								
	Malaysia, Philippines	UNIDO	AFB/PPRC.32/14			13,779,500	Endorsed	0
Sub-total, USD				-	-	13,779,500		-
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								
	Malaysia, Philippines	UNIDO	AFB/PPRC.32/14/Add.1			20,000	Approved	20,000
Sub-total, USD				-	-	20,000		20,000
GRAND TOTAL (1+2+3+4+5+6+7+8)				4,050,000	35,356,870	69,406,389		33,038,555
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.32/16	5,000,000			Approved	5,000,000
Sub-total, USD				5,000,000	-	-		5,000,000
GRAND TOTAL (9)				5,000,000	-	-		5,000,000
10. AFCIA Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Global	WFP	AFB/PPRC.32/19			10,000,000	Approved	10,000,000
	Global	UNIDO	AFB/PPRC.32/20			10,000,000	Approved	10,000,000
Sub-total, USD				-	-	20,000,000		20,000,000
GRAND TOTAL (10)				-	-	20,000,000		20,000,000
GRAND TOTAL (1+2+3+4+5+6+7+8+9+10)				9,050,000	35,356,870	89,406,389		58,038,555