

AFB/B.42/10 12 April 2024

Adaptation Fund Board Forty-second meeting Bonn, Germany, 18-19 April 2024

Agenda item 12 b)

OPTIONS FOR REDUCING THE CARBON FOOTPRINT OF THE ADAPTATION FUND

Background

1. At the thirty-ninth meeting of the Adaptation Fund Board (the Board), the topic of the carbon footprint of the Fund's operations was introduced by a Board member, and the Board agreed to pursue its discussion on the matter at its fortieth meeting, at which time the secretariat would provide relevant and available information such as, related to the emissions associated with the office space and travel of the secretariat and the travel of the Board, as well as elaborating on the challenges of calculating emissions of the projects.

2. At the fortieth meeting of the Board, the secretariat presented document AFB/B40/Inf.6 to provide an overview of the carbon footprint of the administrative functions of the Adaptation Fund. Following the discussion on the matter, the 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)

3. Pursuant to decision B.40/79, the secretariat presented possible options for reducing the carbon footprint of the Fund contained in AFB/B.41/6 for the Board consideration at its forty-first meeting. The Board discussed the presented options, but no consensus was reached on this agenda item at the forty-first meeting. Therefore, the Board decided to continue the discussion on the carbon footprint of the Fund at the forty-second meeting of the Board.

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)

4. The Secretariat is presenting the same information contained in document AFB/B.41/6, with a slightly edited recommendation building on the Board discussion on this item during its forty-first meeting, but with no substantial changes.

Proposed principles for the Fund's carbon management

5. Most of the Fund's operations, if not all, emit greenhouse gasses (GHG). The Fund cannot avoid GHG emissions altogether, however, since it must deliver its mandates and duties. Therefore, the negative impacts of the Fund's activities, when they take place, need to be considered in the context of the Fund's overall contribution to sustainable development. Before

discussing options for reducing the carbon footprint of the Fund, the secretariat considered the following principles for the Fund's carbon management.

- 1) To facilitate carbon-sensitive decision-making in the Fund's operations and funded projects and programmes;
- 2) To be transparent about the carbon footprint of the Fund's operations and funded projects and programmes;
- 3) Not to jeopardize the Fund's operations and implementation of projects and programmes.

6. Another important consideration, especially for Fund's projects and programmes, is the extent to which the Fund will require implementing entities to take action on carbon management related to their implementation of projects and programmes. If the level of requirement is too low, the Fund's will not be effective in managing its carbon emissions. However, if it is too high, implementing entities may either not be incapable of meeting the requirements or could be burdened at an unsuitable level. Consequently, the Fund's initiative could be discouraging for some of the existing and future implementing entities to access the Fund's resources. The Fund knows, more or less, its own institutional capacity for carbon footprint reporting, but not the capacity of the implementing entities. Also, even though highly quantified data on carbon emissions for projects and programmes are reported by implementing entities, the Fund does not have the expertise to scrutinize those for implementing adaptation projects in general. Given this and the above-mentioned principles, the secretariat proposes some moderate and attainable options for reducing the carbon footprint of the Fund's operations as well as its projects and programmes.

Measurement and reporting

7. Measurement of the carbon footprint is the first step for managing the carbon performance of the Fund. When the data are available, the Board and the secretariat can support decision making that help reduce the carbon footprint of the Fund at both the strategic and operational levels.

8. The secretariat could publish a report on the carbon footprint of the Fund periodically based on the reported items in document AFB/B40/Inf.6 initially and aim to make the report more comprehensive as more data become available. At the fortieth meeting of the Board, an option of its reporting biennially (once every two years) was brought forward. However, some of the data are not easily available and collection methods of those data have not been established very well. Given the circumstances, the data collection for one previous year is likely to be easier than that for two previous years. Also, more frequent reporting helps reveal trends in the Fund's carbon footprint. The secretariat proposes an annual reporting on the matter and revisit the frequency of the report later if necessary. Also, through the report, the secretariat could seek possible ways to estimate the carbon footprint of the Board meeting organization and report on other notable carbon management initiatives that are led by the World Bank Group which administers the Adaptation Fund Board Secretariat as an independent part of the secretariat of the Global Environment Facility.

Setting targets for the carbon performance

9. As the measurement of the carbon footprint advances, the Fund could set targets for the carbon performance of the Fund. It is important that the Fund identifies activities that are with a high carbon impact and focuses on those areas.

10. In the World Bank Group, the largest source of emissions is air travel, and the secretariat, being housed in the World Bank Group, is likely to follow a similar trend. The World Bank Group reports the carbon emissions with a focus on air travel, and the data for air travel are one of the most available datasets for the secretariat though it is not complete.

11. Nevertheless, the Fund's operations were largely impacted by the COVID-19 pandemic from fiscal year 2020 to 2022 at least, and the available carbon data from the past few years, including that for air travel, do not necessarily represent the true picture of the Fund's operations at normal activity levels. In addition, in the aftermath of the pandemic, there has been a significant increase in requests for the Fund to participate in joint workshops organized by UNFCCC and other climate funds for countries and other stakeholders. Furthermore, the Fund's business is currently in the midst of rapid growth, as represented by the increase in the number of secretariat staff and administrative budgets. Therefore, even if the Fund strives to reduce the carbon footprint of its operations, it may increase its carbon footprint due to the volume of its increasing duties. While the Fund could use the carbon footprint of the previous year as a benchmark and aim to improve it every year (in a short-term), the secretariat proposes that the Fund set specific medium-term or longer-term targets for the carbon performance once the report on the carbon footprint of the Fund provides a consistent picture at optimal activity levels.

Green budgeting

12. Green budgeting¹ is an approach originally developed by the Organisation for Economic Co-operation and Development (OECD), which is to help countries and organizations reduce GHG and achieve their emission targets. "Green budgeting is a type of outcome-based or priority-based budgeting."² "At its simplest, it is an approach which identifies and assesses the climate and sustainability impacts of budget items."³ "Green budgeting enables organisations to use their existing budget process to consider the impact the organisation's activities have on its environmental objectives. From this starting point, green budgeting can be used to align budgets more closely with climate change and sustainability goals, as part of an integrated approach. Over time, it should enable organisations to move from activities and investments with damaging impacts on the environment, towards more sustainable and even 'climate positive' actions."⁴

- ³ Ibid.
- ⁴ Ibid.

¹ <u>Green budgeting (OECD)</u>

² <u>Green budgeting – A toolkit for public sector finance professionals (Associate of Chartered Certified Accountants</u> (ACCA))

13. Green budgeting can operate from countries to organizations such as the Adaptation Fund. The comprehensive green budgeting process involves five key steps⁵. At the same time, green budgeting does not require a new budget management system and it can be implemented step by step. The secretariat uses a bottom-up approach to formulate administrative budgets for the Board and secretariat, in which process thematic units prepare their respective workplans and budgets, considering the economy, efficiency, and effectiveness of their planned activities. Using the approach of green budgeting, the secretariat could procedurally add "climate impacts" to the criteria of its activity selection or prioritization at both levels of the thematic units and the secretariat as a whole when it prepares proposed workplans and administrative budgets. Through this process, the secretariat could consider combining travels and options of presenting events virtually, if feasible.

Board meeting

14. The Fund's Board meetings entail travel of Board and secretariat members two times a year and are relatively carbon intensive events that has been programmed in the workplans and administrative budgets. Paragraph 18 of the Rules of Procedure for the Adaptation Fund Board prescribes that "The Board shall meet at least twice every year or as frequently as necessary to enable it to discharge its responsibilities. The meetings of the Board shall take place in the country of the seat of the UNFCCC secretariat [...]" (Bonn, Germany)."⁶ Needless to say, if the Fund would organize a Board meeting only once a year or hold it in an online format, travel of Board and secretariat members would be reduced as well as the associated carbon emissions. However, according to the Rules of Procedure, these options are not available for the Board unless the Board amends the Rules of Procedure, and consideration of such option should also take into account the benefits of physical meetings, such as the possibility for face-to-face interaction.

15. During the COVID-19 pandemic, online meeting tools have widely become available, and the Fund has organized the Board meetings in an online format for three years. In the secretariat's view, the online format was far from ideal to utilize for board meetings. The Board has had a lot of agenda items that are barely covered in the biannual four-day board meetings. Considering the different time zones that Board members reside globally, it was impossible to hold an online board meeting more than five hours a day, and there were several occasions that the Board had to cancel or defer some of the agenda items to subsequent meetings. It might have worked decently for some Board members, but others were obviously disadvantaged as the board meeting was held at a very inconvenient time and/or the Internet environments were not equally good for them. Therefore, the secretariat does not recommend further reduction in the number of Board meetings or organizing them virtually.

16. Furthermore, if Board meetings are held in Washington DC where the secretariat is based, travel of secretariat members would be reduced. Instead, air travel of Board members who are

⁵ 1. Develop a baseline, 2. Prioritise spending with the most impact, 3. Categorise and monitor spending, 4. Ensure external review, 5. Learn and improve (ACCA), Ibid.

⁶ Rules of procedure for the Adaptation Fund Board

based in Europe would be increased. As such, this option is not an effective option for reducing the carbon footprint of the Board meetings.

Carbon management for Fund's projects and programmes

17. As the secretariat stated in document AFB/B.40/Inf.6 (paragraph 20), there are challenges for measuring and managing the carbon footprint for Fund's projects and programmes. "The Fund projects and programmes involve multiple entities such as implementing entities, executing entities as well as goods and service providers through the project cycle. Measuring the carbon footprint for Fund projects would require all of those associated entities to develop carbon inventory specifically for the project throughout its project life cycle, and the implementing entity would need to collect and consolidate such carbon data for the project from the associated entities. Its operation would be highly costly and time-consuming, and different entities have different operational capacities and approaches to carbon initiatives. Under these circumstances, it would be very challenging for the Fund to put in place a uniform system to measure the projects' carbon footprint, without substantially increasing the measuring, monitoring and reporting load of the entities involved in projects."⁷

Training materials on carbon management for implementing entities

18. Building on that in the previous paragraph, carbon management requires behavioral change at an organizational level that involves all operational units within an organization, and it cannot be done by project teams alone. It often requires political support inside and outside of an organization. It would be technically possible for the Fund to provide implementing entities with general training materials on carbon management, possibly which has been developed by organizations with the expertise on carbon management. It could constitute awareness raising for project implementation teams, but it is unclear whether such training could influence the implementing entity as a whole and eventually lead the effect of reducing carbon emissions from the Fund's project implementation. Even if it would have the effect, the Fund would have no means to measure the supposed reduction in carbon footprint. On the other hand, some implementing entities may have their own initiatives on carbon management, and their projects funded by the Adaptation Fund may be covered by such initiatives already.

Adding a "carbon management" section in the project proposal⁸ and project completion summary⁹ templates

19. Activities associated with project implementation as well as those with a high carbon impact vary significantly depending on the type of project, sector, scale, and location. Unless an implementing entity has implemented a similar project in similar conditions in the past, it is difficult for the entity to establish a baseline and target of the carbon performance for the project implementation. Also, as mentioned above, different entities have different operational capacities

⁷ AFB/B.40/Inf.6 Carbon footprint of the Fund (para. 20)

⁸ https://www.adaptation-fund.org/document/template-for-fullly-developed-single-country-proposal/

⁹ https://www.adaptation-fund.org/projects-programmes/project-performance/

and approaches to carbon initiatives. Therefore, it is impractical for the Fund to require all implementing entities to provide "quantitative" information about the carbon footprint of its projects and programmes. Given this, the secretariat proposes to add a "carbon management" section in the project proposal and project completion summary templates and request implementing entities to provide "qualitative" information on the carbon management of its projects and programmes. Using such a section in the project proposal and project completion summary, the implementing entities are to provide relevant information according to the status of their organizational efforts regarding the carbon management. In this way, implementing entities that already have their carbon management scheme may elaborate it, but others may describe it according to the status of their practices. The new information requirements should not penalize implementing entities that do not have a carbon management scheme in their organization when they submit the project proposal and project completion summary yet the Fund's interest in the carbon management for project implementation can be conveyed to implementing entities. The requirements would help the Fund collect the information that will be potentially useful for the future carbon performance management at the Fund's portfolio level.

Project proposal (as a new bullet point I under Part III: Implementation arrangements)

I. Carbon footprint and management. Describe the carbon management systems or initiatives that allowed management to make carbon-sensitive decisions regarding its project implementation if any.

Project completion summary (as a new bullet point 12)

12. Carbon footprint and management: Description of any carbon management systems or initiatives that allowed management to make carbon-sensitive decisions regarding its project implementation if any.

Carbon offsetting

20. Carbon offsetting is an action intended to compensate for the carbon emissions. The World Bank Group, which administers the Adaptation Fund Board Secretariat, has already offset GHG emissions from buildings and travel in Washington DC since 2006, and globally since 2009. Therefore, carbon offsetting is already in place for the Fund's operations.

Recommendation

21. Having considered the information contained in document AFB/B.42/10, the Adaptation Fund Board (the Board) decides to request the secretariat:

- (a) To publish a report on the carbon footprint of the Fund for Scopes 1, 2 and 3 (as presented in document AFB/B.42/10) in accordance with the Greenhouse Gas Protocol, in conjunction with the annual performance report, and aim to make the report more comprehensive as more data becomes available, including the estimated carbon footprint of the Board meetings;
- (b) To formulate workplans and administrative budgets for the Fund, by procedurally adding a carbon footprint to the criteria of its activity selection or prioritization from fiscal year 2026;
- (c) To encourage implementing entities to voluntarily communicate to the Fund information on the carbon footprint and carbon management initiatives that are in place within the entities for the Adaptation Fund projects and programmes through an addendum to the project proposal and project completion summary.

Annex: AFB/B.40/Inf.6 Carbon Footprint of the Fund



AFB/B.40/Inf.6 16 March 2023

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

Agenda item 12

CARBON FOOTPRINT OF THE FUND

Introduction

1. This document has been prepared by the Adaptation Fund Board Secretariat (the secretariat) following the discussion that took place at the thirty-ninth meeting of the Adaptation Fund Board (the Board), under agenda item "Other matters". The objective of the document is to provide a brief overview of the situation of the carbon footprint of the administrative functions of the Adaptation Fund (the Fund).

2. The secretariat is hosted by the secretariat of the Global Environment Facility (GEF), which administratively constitutes one of the units (GEF Vice-Presidency) in the World Bank Group (WBG). Through the WBG's initiative on carbon inventory, some data is available on the carbon footprint associated with AF's internal business operations. The World Bank's overall data on carbon footprint is presented in a few official publications including the "<u>Sustainability review</u> <u>2021</u> (biannual)" and "<u>GRI index 2021</u>".

3. The World Bank Corporate Responsibility Program began measuring and offsetting Greenhouse Gas (GHG) emissions from Washington, DC buildings and travel since 2006, and globally since 2009. Data from 141 buildings globally are collected annually using a web-based data management system. The World Bank Group (WBG), through its GHG Emissions Inventory Management Plan (IMP), develops a GHG inventory and continues to make it comprehensive for its internal corporate GHG accounting and reporting that will be consistent with the principles and guidance of the Greenhouse Gas Protocol Initiative (GHG Protocol) of the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). According to the IMP, all methodologies are based on guidance from the GHG Protocol with emission factors taken from governmental and international organizations such as the Intergovernmental Panel on Climate Change (IPCC), US Environmental Protection Agency (EPA), and the International Energy Agency (IEA).¹⁰ As per the GHG Protocol, the WBG measures and manages GHG emissions per three scopes.

Scope 1: Direct emissions sources	 Combustion of fuel in boilers or furnaces that are owned by the reporting organization Generation of electricity, steam, or heat in equipment that is owned by the reporting organization Business travel in vehicles that are owned by the reporting organization, such as company cars or corporate jets Employee commuting in company-owned vehicles, such as shuttles and company cars Fugitive emissions of refrigerant from chillers or other refrigeration units owned by the reporting organization
Scope 2: Indirect emissions sources	- Generation of purchased electricity, steam, heat, or chilled water
Scope 3: Optional Sources	 Business travel in non-company-owned vehicles such as rental cars, employee cars, trains, and commercial planes

¹⁰ The World Bank Group FY20 GHG Inventory Management Plan (2022)

4. The secretariats of the GEF and AF jointly occupy two floors in a leased building in Washington, DC, in the United States. The share of usage by the AF in the two floors is approximately 10-15% of the total area of the two floors. The following is aggregated data for both the GEF and AF. The numbers are estimated from information that the building management provided for the whole building in Fiscal Year 2019 (FY19) and apportioned for the office space of the GEF Vice-Presidency Unit, including the AF. The information was obtained from the Sustainable Development Practice Group of the WBG.

Office size of the 2 floors: 35,800 sq ft.

Scope 1 - Direct emissions sources

Combustion of fuel in boilers or furnaces (GEF and AF)

[FY21]	
Energy	981 thermoses of natural gas
Emissions	5.21 metric tons carbon dioxide equivalent (tCO ₂ eq)

Scope 2 – Indirect emissions sources

Purchased electricity emissions (GEF and AF)

5. In the WBG, the second largest course of emissions is electricity usage.

[FY21]	
Energy	716,064 kWh of electricity (equivalent to 716 MWh)
Emissions	212.88 metric tons carbon dioxide equivalent (tCO ₂ eq)

Scope 3 – Optional sources

6. In the WBG, the largest source of emissions is air travel. The WBG uses the UN International Civil Aviation Organization (ICAO) Carbon Emissions Calculator to compute work-related air travel emissions. For work-related travel, only air travel booked and paid for by the WBG and travel by contracted car service data is collected and included because the majority of the WBG work-related travel impacts are associated with plane travel.

Work-related emissions (AF only)

[FY22]	
Carbon emissions, secretariat, total	134.6 Metric Tons (mtons)
Carbon cost ¹¹ , secretariat, total	US\$ 6,715
Trees to absorb the carbon emissions ¹² , secretariat, total	1,178
Carbon emissions per staff in WBG, average	3.92 mtons
Carbon emissions per staff in secretariat, average	5.85 mtons
Distance flown per staff in WBG, average	19,156 miles
Distance flown per staff in secretariat, average	27,437 miles

7. Work-related travels captured here are those that were undertaken by staff and consultants of the WBG. Travels that were undertaken as a group such as meeting participants including board members are not incorporated in the GHG inventory yet, and the responsible unit of the WBG has been working on it.

Food procurement emissions (Cool Food Pledge)

8. According to the WBG *Sustainable Report 2021*, in FY20, the WBG signed the Cool Food Pledge, which committed the organization to reduce food-related greenhouse gas emissions from its headquarters' cafeterias, coffee bars, and catering operations, by 25 percent by 2030 relative to a 2019 baseline. The Cool Food Pledge is managed by WRI. The scope includes all food procurement at the Washington, DC, headquarters facilities through the food vendor, Restaurant Associates, a subsidiary of Food Buy. Approximately 55 percent of WBG staff is based at the DC headquarters offices. The Cool Food Pledge GHG calculator provides total food-related emissions from agricultural supply chains and food-related carbon opportunity costs. The total of these two types of emissions sums up to the total annual food-related carbon costs in metric tons of CO_{2e}^{13}

Emissions from other activities

9. Data is collected on water usage, waste and recycling at the level of the World Bank and data specific to the Adaptation Fund is not available. There are many more sources of emissions that fall under Scope 3 such as emissions from staff commuting and goods and services that the secretariat purchases for Fund's operations. The WBG is in the process to make the GHG inventory more comprehensive.

¹¹ The WBG uses US\$ 50 per ton to calculate the carbon cost for travel, which is consistent with the <u>High Level</u> <u>Commission on Carbon Prices</u>, convened by the <u>Carbon Pricing Leadership Coalition (CPLC)</u> and co-chaired by Nobel Laureate Joseph Stiglitz and Lord Nicholas Sternand and the <u>Global Carbon Council (GCC)</u> Guidance, with an understanding that the price be raised to US\$ 50-100 per ton of CO₂eq by 2030.

¹² The WBG uses the methodology of <u>US EPA</u> to calculate the number of trees required to absorb the carbon emission. According to the EPA, those trees need to be grown for 10 years to absorb the carbon emission from the flights.

¹³ The World Bank Group FY20 GHG Inventory Management Plan (2022)

Carbon offsetting

10. According to the Corporate Responsibility Program Team of the World Bank, the WBG purchases carbon credits to compensate for emissions associated with corporate travel, facilities energy use, corporate vehicles, and other, miscellaneous emissions. As per the new World Bank Group Carbon Offset Guidelines (2022), the WBG only purchases credits from International Development Association countries to support development in low-income countries and seeks projects that contribute to the Sustainable Development Goals above and beyond their climate benefits, such as supporting gender equity. To offset direct and indirect carbon emissions not curtailed, the Bank purchased and retired credits totaling \$581,740 for fiscal year 2019 to maintain carbon neutrality.

Carbon performance target

11. The WBG completed its first global GHG inventory in FY07. Since then, the WBG has set base years for reducing emissions and updated methodologies for carbon inventory data collection and identifying data gaps. The WBG adopted a new global corporate carbon emissions reduction target to reduce direct and indirect carbon emissions (scope 1 and 2) from its global facilities by 28 percent by 2026 from a 2016 baseline. In order to achieve this target, the World Bank has pledged a 30 percent reduction of facility-related emissions (Scope 1 and 2) over the same period. A range of measures are being considered, including using renewable energy wherever feasible and improving energy efficiency.

Other efforts made by the WBG on carbon management

12. The WBG conducts training on how to maintain the GHG inventory for responsible staff, internal and external auditing for the corporate GHG inventory, management review of the corporate GHG inventory for necessary corrective actions.

Greening and Sustainability Initiative at GEF workplace

13. The GEF also has its own initiatives on greening and carbon management, that are outlined in GEF Business Plan and Corporate Budget for FY23, including, among others, those listed below. Being administratively within the GEF secretariat, the Adaptation Fund Board secretariat will have an opportunity to participate in and benefit from these efforts.

- The GEF Secretariat achieves savings with re-usable supplies and occupies a LEEDcertified building with highly efficient lighting and lower eco-footprint, to save costs and go green.¹⁴
- For FY23, the GEF Secretariat has also included in its approved administrative budget a small amount to support and advance its ongoing efforts to "green" its workplace. The

¹⁴ Footnote 30, <u>GEF Business Plan and Corporate Budget for FY23 (GEF/C.62/08/Rev.01)</u>

GEF is in close dialogue with counterparts at the World Bank, its host institution, to share ideas about efficient and effective opportunities for this effort.¹⁵

In FY23, the GEF carries out an initiative to seek to develop continuous carbon accounting
relating to GEF's work, support actions and measures to reduce the carbon footprint,
explore opportunities to place solar panels on the rooftop, cover incremental additional
costs associated with the elimination of single-use plastic in the office and at events
organized by the GEF Secretariat (to source all events sustainably), and support further
training and work on an e-course on environmental sustainability to be developed jointly
with the World Bank."¹⁶

Initiatives of the Green Climate Fund (GCF)

14. The GCF, one of the Adaptation Fund's peer climates funds, has engaged in carbon management, using a different scheme from the of the WBG, which has been led by UN organizations.

15. The GCF established the *GCF Sustainability Initiative (GSI)* in January 2020, which "is led by a small group of five dedicated volunteers and benefits from the support, thought leadership, and resources of teams across the Secretariat and independent units in its emissions reporting, sustainability campaigns, and process upgrades"¹⁷.

16. In accordance with the <u>GCF sustainability strategy</u>, the GCF joined the Greening the Blue initiative in 2020, which is a campaign established by the United Nations Environment Programme to assist the United Nations System of Organizations in reaching their sustainability commitments. The Greening the Blue community is comprised of 56 entities and the GCF became its member as the first non-UN organization. The "<u>Greening the Blue Report 2022</u>" presents the overview of the UN System's environmental footprint including carbon footprint. The GCF is listed as one of the data contributing entities for GHG emissions in the report. The GCF-specific data is presented in the <u>community's website for the GCF</u> and <u>Environmental Performance Dashboard (UN Entities'</u> Greenhouse Gas Emissions & Climate Neutrality – 2021 Data).

17. Other key information presented on the community's website for the GCF include the following.

- The GCF included in its inventory of GHG emissions travel, vehicle; water/energy/paper consumption; heating and cooling. GCF continues to improve its data gathering in the context of environmental management.
- A carbon offsetting scheme exists and will be continuously refined. GCF purchases Certified Emissions Reductions (CERs) from the UN Carbon Offset platform and will

¹⁵ Para. 44, <u>GEF Business Plan and Corporate Budget for FY23 (GEF/C.62/08/Rev.01)</u>

¹⁶ Para. 45, GEF Business Plan and Corporate Budget for FY23 (GEF/C.62/08/Rev.01)

¹⁷ https://www.greeningtheblue.org/entities/gcfs

implement a systematic approach to selecting projects on a rotating geographical basis and with maximum co-benefits¹⁸.

What the AF could do for carbon management?

18. The Adaptation Fund Board Secretariat, although functionally independent, being administratively part of the WBG and GEF, has little control over the choice of office buildings and the energy sources of the electricity purchased for the office building. To reduce emissions for Scope 1 and 2, secretariat staff's influence is mostly limited to individual small-scale measures such as turning off office lights when the office is not in use.

19. On the other hand, the secretariat has more control over the choice for goods and services purchased for its operations. To reduce emissions for Scope 3, the secretariat could review its operational choice by more focusing on effective activities. The secretariat already carefully reviews the need for air travel, which at the level of the WBG is the largest source of emissions. The secretariat has also reduced its material footprint by shifting from printed to electronic communications. The secretariat staff benefit from WBG initiatives that encourage the use of public transport and biking to work.

20. The creation and management of carbon inventory entail the carbon data collection not only within an organization concerned but also from all goods and service providers that are associated with the organization's activities. The WBG has launched its carbon inventory initiative 15 years ago and continues to make the inventory more comprehensive. The Fund projects and programmes involve multiple entities such as implementing entities, executing entities as well as goods and service providers through the project cycle. Measuring the carbon footprint for Fund projects would require all of those associated entities to develop carbon inventory specifically for the project throughout its project life cycle, and the implementing entities. Its operation would be highly costly and time-consuming, and different entities have different operational capacities and approaches to carbon initiatives. Under these circumstances, it would be very challenging for the Fund to put in place a uniform system to measure the projects' carbon footprint, without substantially increasing the measuring, monitoring and reporting load of the entities involved in projects.

¹⁸ https://www.greeningtheblue.org/entities/gcfs