

Climate Finance Advisory Service

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Daily Briefing

26th Adaptation Fund Board Meeting (8 October 2015)

This is the Climate Finance Advisory Service (CFAS) Daily Briefing. Produced at key meetings and negotiations by the CFAS expert team, the Daily Briefings try to provide a concise, informative update on key discussions that have taken place at each day of the meeting and give an overview of substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the AF Board or Secretariat.

Summary from 8 October 2015

On Thursday, 8 October 2015, the Adaptation Fund Board (AFB) convened for its 26th meeting in Bonn, Germany. Two days prior to the meeting, the two committees of the fund, the Ethics and Finance Committee (EFC) and the Project and Programme Review Committee (PPRC) met for their 17th meeting respectively.

Report of the Chair and Secretariat

After opening the meeting, the Chair and the secretariat reported on activities they had undertaken since the last AFB meeting. Inter alia, the Chair of the AF attended the UNFCCC climate change negotiations in Bonn in June 2015, as well as the meeting of the Standing Committee on finance. In addition, the chair also met with the Chair and Executive Director of the Green Climate Fund, in order to elaborate linkages, further work and collaboration between both climate funds. The secretariat also participated in several meetings, such as the NAPs Expo, the meeting of the Adaptation Committee and the 10th GCF Board meeting. Further the secretariat engaged in face-to-face meetings with ministers from Sweden and Switzerland, facilitated by the respective AF Board members. Last but not least, several readiness activities were conducted, including a readiness seminar in Washington D.C., as well as two regional workshops in Africa.

Report of the Accreditation Panel

As usual, the Accreditation Panel (AP) delivered its report to Board members and observers. For AFB 26, the AP concluded the review of one application from a Regional Implementing Entity (RIE) and the re-accreditation application of the World Food Programme (WFP). After short consultations in a closed session, the Board decided to accredit the Central American Bank for Economic Integration (CABEI) as a RIE, as well as approve the re-accreditation of the WFP. In addition, the AP reported that the

intersessional period between the 25th and 26th AFB meeting resulted in the accreditation of the Environment Division of the Ministry of Health and the Environment of Antigua and Barbuda as a National Implementing Entity (NIE), as well as the United Nations Human Settlements Programme (UN-Habitat) as a Multilateral Implementing Entity (MIE). Further, the re-accreditation of the Asian Development Bank (ADB) and United Nations Environment Programme (UNEP) was also approved intersessionally. With this, the number of accredited implementing entities increases to a total of 37: 20 NIEs, 5 RIEs and 12 MIEs.

Report of the EFC

Before lunch, the EFC presented its report to the Board. Among other issues, the EFC reported on the Evaluation of the Fund by outlining the results of the evaluation report. Main findings include, inter alia, the conclusion that the AF was "a learning organization" and that key strengths are concentrated in its relevance, effectiveness and efficiency. As a key weakness, the lack of securing adequate, predictable and reliable funding was highlighted. As an area for improvement, it was pointed out that the fund may not have fully communicated its unique value within the climate framework, and that communication in that regard might therefore be considered an area for improvement.

The effectiveness and efficiency of the accreditation process was also an agenda item considered by the EFC. The Accreditation Panel had already recognized the need to establish rules of procedure in order to procedurally enhance the accreditation process. Therefore, the AP is developing internal guidance of good practice notes which are expected to facilitate the consistency and coherence of assessments and to provide guidance to applicants. The Board took note of this, also requesting the AP and the secretariat to consider relevant finding of the Evaluation of the Fund. A draft will be prepared for consideration by the EFC at its 18th meeting.

In preparation of the 26th AF Board meeting, a draft AF Gender Policy was prepared, recognizing the importance of streamlining and strengthening the integration of gender considerations in the policies and procedures of the AF. The Board decided to launch a public call for comments until the end of the year, aimed at informing a revised proposal for an AF Gender Policy to be presented at AFB 27.

Financial issues

To conclude the morning session, the official presentation by the AF Trustee on the financial status of the AF Trust Fund, was given to inform the AFB and observers. According to the Trustee, as of 31 August 2015, USD 468.1 million have been received on part by proceeds of sales of CERs (USD 190.8 million) and contributions by donor countries (USD 277.3 million). Accordingly, funds available for new project and programme approvals amounted to USD 130.03 million, not yet reflecting the decisions to be taken by the Board following the report by the PPRC tomorrow morning.

Civil Society Dialogue

In the afternoon, Civil Society Organizations (CSOs) were given the opportunity to engage with the AF Board to raise matters of concern regarding the work of the Adaptation Fund, as well as providing the Board with some experiences and insights from the ground. At that, CSO representative provided the Board with a status update on AF projects in Honduras, Senegal, Benin, Tanzania, Jamaica, South Africa, Jordan and Cambodia, addressing achievements and progress made so far, as well as challenges encountered during implementation.

Furthermore, the incorporation of the Cancun Adaptation Principles (as laid out in decision 1/CP.16) into the work of the Adaptation Fund was elaborated on. The discussion focused on the science link, as well as the link to traditional knowledge that according to CSO representatives, could be emphasized more in the working procedures of the Adaptation Fund. Questions posed by Board members concentrated on how these principles could be implemented on the ground in the respective projects and how one should deal with projects that already have been implemented. Finally, CSO representatives presented work conducted on the development of a "Project Assessment Score Card" - a tool, to enable NGOs on the ground to evaluate the project design and implementation processes in a structured way.

Communications

Following the CSO dialogue, the Board proceeded with its agenda by addressing the issue of communications. The new AF communications officer gave a brief overview of outreach activities since the last Board meeting. In July 2015 the AF launched its new website, which is aimed to be more user-friendly and organized, while conveying a fresh modern look, along with a new mechanism to monitor the website performance (views, number of users). Further, the AF presented its new social media strategy, which uses a more aggressive approach with more detailed postings, using relatable quotes and pictures. Since implementing this strategy, the number of followers on Twitter and Facebook has greatly increased, with the number of profile visits doubling in September and October. In the context of concrete outreach efforts, the AF has engaged with several partners, such as CDKN, Climate-L, as well as with implementing entities and the countries themselves. For COP21 the AF will host a side event with various NIE representatives sharing experiences from the accreditation process and project implementation, in order to increase the profile of the fund.

Board members welcomed the presentation, while alluding to the need to increase outreach particularly in the time before the climate summit in Paris, not only at the conference itself. Members felt it was essential to approach key decision makers and potential donors well in advance, since positions on resource allocation and general finance related issues are built and formulated before the COP. The secretariat highlighted that in order to effectively engage with potential donors and

entering the wider political domain, facilitation by AF Board members was essential, as the means and resources of the AF secretariat itself was limited.

Proposal to modify the country cap

As the final agenda item of the day, the Board considered the notion of modifying the country cap. The country cap of USD 10 million was set as a temporary measure at 13th AFB meeting, in order to ensure equity and allowing various countries to benefit from the resources of the AF. Currently 16 countries have reached this cap, hence detaining further engagement with the AF. One Board member noted that this could discourage potential NIEs from seeking accreditation at the AF, given that efforts to complete the process could only result in a USD 10 million activity. A potential option could therefore be to increase the cap to USD 20 million, at least for NIEs, in order to incentivize further engagement. Board members acknowledged the relevance of this issue, but highlighted that further analysis was needed to be able to balance pros and cons of such a proposal and making an informed decision. Further it was emphasized that the country cap was just one of the several tools to maintain the sustainability of the Fund and that implications should be considered with caution. Following the deliberations and views expressed by Board members, it was suggested to request the secretariat, in consultation with the trustee, to undertake an analysis of how the country cap can be modified, including any relevant implications.

Date of next meeting

Before closing the session the AF secretariat proposed the dates of upcoming Board meetings, subject to approval by the Board: AFB27 to be held from 15-18 March 2016; AFB28 from 4-7 October 2016; AFB29 from 14-17 March 2017; and AFB30 from 10-13 October 2017.

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