

# Climate Finance Advisory Service



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## Daily Briefing

### 28th Adaptation Fund Board Meeting

(6 October 2016)

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.

During the meetings, CFAS experts are available to provide advice to and answer specific questions for Board Members, Alternates and their advisers from developing countries. The CFAS team can be reached via [cfas@germanwatch.org](mailto:cfas@germanwatch.org).

Previous daily briefings and other CFAS analyses are available on the new CFAS website [www.cfas.info](http://www.cfas.info).

The CFAS Team

## Summary from 6 October 2016

On Thursday, 6 October 2016, the Adaptation Fund Board (AFB) convened for its 28<sup>th</sup> meeting in Bonn, Germany. This was preceded by meetings of the two Committees of the fund, the Ethics and Finance Committee and the Project and Programme Review Committee.

### Opening of the Meeting and Report of the Secretariat and Chair

After opening the meeting, the Secretariat reported on activities undertaken since the last AFB meeting. With regard to the Fund's financial sustainability the Secretariat met with the French Foreign Ministry and the Environment Ministry in Italy, as well as virtually with representatives of Canada's Quebec Province. Moreover, bilateral meetings were held with the incoming COP presidency, the Moroccan Environment Minister as well as the Ministry of Agriculture in Morocco.

Marcia Levaggi, Manager of the AFB secretariat, who will be stepping down from office on October 21<sup>st</sup>, then gave an emotional speech about the impacts the AF has achieved over the years, underlining that without the degree of trust the Board has been given to the Secretariat this would have not been possible. Many members congratulated Ms. Levaggi for her impact on the development of the Adaptation Fund (AF) and her personal dedication and efforts in steering the Secretariat for the past 7 years.

## **Report of the Accreditation Panel**

As usual, the Accreditation Panel (AP) delivered its report to Board members and observers. The AP reported that the intersessional period between the 27<sup>th</sup> and 28<sup>th</sup> AFB meeting resulted in the re-accreditation of the World Meteorological Organization (WMO), leaving several National Implementing Entities (NIEs), Multilateral Implementing Entities (MIEs) as well as one Regional Implementing Entities (RIEs) in the pipeline to be accredited or re-accredited. With this, the number of accredited implementing entities increases to 42 – 24 NIEs, 6 RIEs and 12 MIEs.

## **Dialogue with UNFCCC Executive Secretary Patricia Espinosa**

The UNFCCC Executive Secretary Patricia Espinosa praised the Fund's work and encouraged it to disseminate its knowledge and experience to different stakeholders. She expressed her concern regarding the fragmentation of support. Speaking about COP 22 and the pathway for the Adaptation Fund to serve the Paris Agreement, she said that the issue would have to be dealt with by the Ad-hoc Working Group on the Paris Agreement (APA) with procedural engagement of the Conference of the Parties (COP) and the Meeting of the Parties to the Kyoto Protocol (CMP), but that this would require active support of Parties when discussing the agenda.

## **Report of the Ethics and Finance Committee**

Before lunchbreak the Ethics and Finance Committee (EFC) presented its report to the Board. Among other issues the second phase of the evaluation of the AF was presented and discussed. With regard to the execution of the evaluation it was pointed out that two experts from the last evaluation already indicated their willingness to take part and that the EFC would look for a civil society representative in collaboration with the Adaptation Fund NGO Network.

Another discussion centered on the USD 10 million country cap – the maximum amount of grants each country can currently receive from the Fund. Similar to the previous meeting, different views persist: While some Board members were proposing to lift the cap, others stood up for countries who have not received funding from the Fund. It was proposed that the EFC would include this issue in its discussion on the medium-term strategy. By the end of the agenda item the AFB adopted the proposed recommendations for all other items, inter alia the Knowledge Management Strategy, the Effectiveness and Efficiency of the Accreditation Process, the Gender Policy and Action Plan and the Complaint Handling Mechanism.

## **Report of the Mission to Mongolia**

In the afternoon the AFB secretariat presented its findings and insights from its latest visiting mission to Mongolia. The Fund's project in Mongolia follows an ecosystem-based approach (EbA) to maintain water security as well as critical water catchments and is implemented by UNDP. The secretariat highlighted the efficiency of EbA-approaches and the effective use of monitoring and reporting to improve adaptation management. In addition it proposed to have a discussion on ways to simplify and harmonize its reporting requirements. Discussions of Board members focussed on institutional aspects of the project, M&E procedures and the potential for scale-up.

## **Dialogue with Civil Society Organizations**

The AFB held its dialogue with Civil Society Organizations. Joined by two partners from Africa and Central America the Adaptation Fund NGO Network (AFN) presented insights on its monitoring and evaluation scorecards, exemplarily presenting its application in the context of the AF project in Honduras. The Network reported back from a dinner event on the previous day, summarizing discussions on the need for a strategic approach of the Fund in the post-Paris era, the options and potentials of innovative finance sources, the option to accredit the AF with the GCF maintaining efficient division of labour, and lastly crowd-funding options from the aviation sector. Then suggestions on the current Board discussion were introduced, with proposals for prioritization of regional projects as well as inputs on the knowledge-management and resource mobilization strategy. A representative of Transparency International (TI) presented her views on the Complaint Handling Mechanism, generally welcoming it but giving suggestion for further improvement.

Lastly, the Adaptation Fund NGO Network partner from Benin presented relevant lessons from the project preparation phase in his country. While Benin's NIE was accredited in 2012, no full project proposal has been approved by the AFB to date. Concluding discussions of Board members centred on CSO-Government interaction and the national level, further work of the AFN and the nature of the CSO scorecards and their potential for synergies with the AF monitoring and evaluation system.

## **Potential linkages with the GCF**

The Vice-Chair invited the AF secretariat to report on discussions held between both institutions, following the GCF Board decision to initiate an annual dialogue with different climate finance delivery channels. The Secretariat informed that the first dialogue will be held on December 12<sup>th</sup> 2016 in Samoa, Apia, and that its participation is envisaged. On the issues of complementarity between both entities, the Secretariat reported that efforts have been conducted by the Chairs of both institutions about how the December dialogue could be a key opportunity to further explore such complementarities, for instance on readiness, which is a strong link to share experiences and expertise of the AF with the GCF and enable to learn lessons and exchange experiences. The idea of a joint workshop on readiness was also discussed, and the possibility for the AF to learn from the GCF knowledge management framework while developing its new strategy. On the issue of accreditation, it was noted that the GCF accreditation process has been inspired by the AF accreditation process, especially through the fast-track accreditation process.

Board members appreciated the idea of an annual dialogue to discuss potentials linkages between both institutions. One member pointed out that the main issue of the AF was not to be complementary to the GCF, but to sustain itself with adequate resources. While it was suggested that the AF could become a 'fit-for-purpose' institution, it was also stressed that the Paris Agreement offers a legacy for a complementarity discussion and sustainable resource mobilization within the AF. Another Board member suggested the elaboration of a roadmap in regards to the linkages.

Reaction to the views expressed by Board members, the Secretariat answered that there was a clear rationale to link the accreditation processes of both institutions and that the GCF Board recently decided that developing countries can access up to USD 3 million for their readiness activities focusing on adaptation. On the issue of 'fit-for-purpose', the Secretariat added that this approach has

to take into consideration several aspects such as the climate finance architecture, the resource mobilization objectives, the institutional assessment, and how this relates to accreditation. Furthermore, the Secretariat added that the planned dialogue in Samoa will serve as an opportunity to enable experiences and best practices sharing as well as provide a space for joint reflection on future of both Funds.

Discussion on the agenda item will continue tomorrow, with a view of finding a way forward.

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