

Climate Finance Advisory Service

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Daily Briefing

25th Adaptation Fund Board Meeting

(10 April 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 10 April 2015

On Friday, 10 April 2015, the Adaptation Fund Board (AFB) resumed its 25th meeting in Bonn, Germany. After reaching several decisions during the first day, the AFB moved on to address the remaining items on its agenda.

The meeting commenced with a presentation by the Secretariat on the issue of possible linkages between the Adaptation Fund and the Green Climate Fund (GCF) which was followed by a Board discussion. Two possible scenarios were considered: on the one hand, the AF and the GCF could conclude agreements on certain operations in order to draw from the GCF funds and the AF's experience in adaptation funding. On the other hand, an institutional integration was considered which might include the AF working as an operational mechanism to the GCF. Since the AF is challenged by a lack of funding due to the low revenue from carbon emission certificates, cooperation with the GCF could balance the missing funding while drawing on the AF's vast experience on adaptation funding and already existing resources and capacities. It was mentioned that competition between the GCF and the AF would not improve the adaptation funding, rather working together is necessary. The Board concluded the discussion with a draft decision text, which asks to initiate a dialogue towards the Standing Committee on Finance and the GCF on potential linkages, to mandate a document reviewing legal and technical implications of various linkages between the AF and the GCF and to request the AF secretariat to liaise with the GCF secretariat in areas of readiness support, result based frameworks, accreditation, project identification and other areas. The Chairs and the secretariat are expected to report back on this matter at the next meeting.

The next items on the agenda were issues arising from the tenth meeting of the Conference of Parties to the Kyoto Protocol (CMP 10) in Lima, Peru. One request by the CMP was to have the Trustee report on the fluctuation of the price of certified emission reductions and the impact on the AF resources. Also, different options for diversifying the Fund's revenues should be considered by the Secretariat and the Trustee. The CMP requested in Lima that facilitated access to the AF's funding should be ensured to National Implementing Entities. Furthermore, the CMP requested that the AF should undertake targeted institutional strengthening strategies to assist developing countries, in particular the least developed countries. After discussion, the AFB requested its Secretariat to take into account guidance provided, when preparing the report of the Board to the CMP. The Secretariat should submit

the report of the AF to the UNFCCC Secretariat for CMP 11 in Paris in time to be published on the UNFCCC website by 7 September 2015. Therefore, the report should be submitted to the UNFCCC by mid-August. The Board decided to accept the CMP's request and have the Secretariat write the report.

The issues related to regional projects and programmes were reconsidered after being amended on the previous day. The Board decided to approve the proposal for a pilot programme on regional projects and programmes and thereby set a cap of USD 30 million for RIE programming. Furthermore, the Secretariat is requested to issue a call for proposals for regional projects that can be considered by the Board at its 26th meeting. The Board also decided to request the Secretariat to continue discussions with the Climate Technology Center and Network.

Afterwards, the Board took a decision on the inter-sessional project approval process. Currently, the policy foresees that all first submissions of projects, regardless whether concept or fully-developed proposals, need to be considered by the Project and Programme Review Committee (PPRC) during a regular meeting, and subsequently by the AF Board. The amendment now allows the PPRC to consider intersessionally the technical review by the Secretariat of re-submitted proposals - which have been considered at least once at regular meetings- and make recommendation to the Board for inter-sessional decisions. The Secretariat was requested to inform stakeholders and entities about the updated arrangement.

The Board engaged in discussions on the issue of a dedicated AF Gender Policy. It should be mentioned that the AF Board, even if not framed in a formal policy, has gender sensitive provisions that are applied at different level across the Fund's operation. The Board, after brief exchange of views and having considered the recommendation by the Ethic and Finance Committee, requested the Secretariat to prepare a compilation of other funds' related policies and procedures on gender and to inform the Board and its Committee at the next Board meeting.

Before closing the meeting, the dates for the next meetings of the Adaptation Fund Board were set. AFB 26 will be held from 6-9 October, 2015; AFB 27 from 15-18 March, 2016; and AFB 28 from 4-7 October, 2016.

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