



Daily Briefing

30th Adaptation Fund Board Meeting

12 October 2017

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 AFB or its 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.

Previous daily briefings and other CFAS analyses are available on the **new CFAS website** www.cfas.info.

The CFAS Team

Summary from 12 October 2017

On Thursday, 12 October 2017, the Board of the Adaptation Fund (AF) convened for its 30th 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

The meeting was opened by the Chair Mr. Michael Kracht (Germany) and the Vice-Chair Mr. Victor Vinas (Dominican Republic) who welcomed a new member, Mr. Charles C. Mutai (Kenya), to the Board.

After opening the meeting, the Secretariat reported on activities undertaken since the last AF Board meeting. The Secretariat participated in and contributed to a number of events and meetings, including a UNEP Help Desk Closure Workshop from 21-22 March in Bangkok, Thailand, as well as the 2017 Forum of the Standing Committee on Finance, organized from 6-7 September 2017 in Rabat, Morocco. At the forty-sixth session of the Subsidiary Body for Implementation (SBI 46) and Subsidiary Body for Scientific and Technological Advice (SBSTA 46) as well as the third part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA 1-3) from 8-18 May 2017, in Bonn, Germany, the Secretariat engaged in key discussions about the future of the AF and hosted a successful side event. Three portfolio monitoring mission to AF projects were held in Egypt, Turkmenistan and Georgia. Members of the Secretariat participated to the sixteenth, seventeenth and eighteenth meetings of the Green Climate Fund (GCF) Board during the reporting period. The fourth webinar as part of the overall implementation of the Readiness Programme was held on "Monitoring and evaluation (M&E) in adaptation projects and programmes", as well as a number of Climate Finance Readiness Workshops. Besides that, decisions were made to approve a number of project/programme proposals by the Board, to re-accredit the African Development Bank (AfDB) and UNESCO, and to extend the programme completion date of the project implemented in Jamaica by the Planning Institute of Jamaica (PIOJ).

Report of the Accreditation Panel

The Accreditation Panel (AP) reported on ongoing work reviewing both new and existing applications. It was noted that a workshop was held on 18 September

which provided an opportunity for Panel members to exchange views on relevant matters to the accreditation and re-accreditation process. For the twenty-sixth Panel meeting, the secretariat received two new complete accreditation applications, continued reviewing seven re-accreditation applications from National Implementing Entities (NIEs) and the applications of twelve potential NIEs and two potential Regional Implementing Entities (RIEs) that were previously reviewed but required additional information for the Panel to make its recommendations. After considering the recommendation by the Panel, the Board intersessionally approved the re-accreditation of the United Nations Educational, Scientific and Cultural Organization (UNESCO) as a Multilateral Implementing Entity (MIE) and re-accreditation of the Agence pour le Développement Agricole (ADA) of Morocco as a (NIE).

The report also highlighted that the Panel concluded the review of one application of accreditation and recommended the accreditation of the National Environment Management Council (NEMC) of Tanzania.

The AF Chair welcomed the report of the AP, and for purposes of confidentiality, decided to hold Board discussions on the matter during a closed session. Later on, the Board resumed its discussions on accreditation and re-accreditation matters, focusing this time on a recommendation by the Accreditation Panel that the secretariat, in collaboration with Panel members, should elaborate a report which reflects experiences and lessons learned from the AF accreditation process, including an overview of guidance on accreditation, for consideration by the Board at its thirty-first meeting. Some members suggested preparing clear guidance for the Secretariat in this regard, so that the report is a comprehensive document which updates on progress for accreditation and re-accreditation, as well as proposes critical steps to address current gaps. Another member proposed to elaborate the publication in an inclusive and participative manner to allow inputs from the AP, but also from other Board members and relevant stakeholders.

As a way forward, the Chair suggested to consider the draft decision and explore how to enhance existing guidelines on the operational aspects on the issues. Following that, the Board approved the decision to elaborate the report, and additionally decided to accredit the National Environment Management Council (NEMC) of Tanzania, as recommended by the AP.

Report the Project and Programme Review Committee

As usual, the Project and Programme Review Committee (PPRC) reported back to Board members, providing an overview of the project/programme proposals submitted by Implementing Entities (IEs) for consideration by the Board at its thirtieth meeting, and the process of screening and technical review undertaken by the secretariat on these proposals, including during an intersessional cycle.

At the current meeting, 23 single-country proposals were received by the Board for its consideration, with the total requested funding amounting to USD 97,598,337, including 13 project concepts – with a total requested funding of USD 42,530,247 – and 10 fully developed proposals – with a total requested funding of USD 55,068,090. Out of the 10 single-country projects submitted, 4 were approved – in Namibia, Guinea Bissau, Fiji and Solomon Islands. Additionally, 5 of 13 single-country concept notes were endorsed, submitted by Kemitraan for Indonesia, EPIU for Armenia, and UN-Habitat for Cambodia and Mongolia. The Board did not approve any regional project/programme proposal, but approved a formulation grant of USD 80,000 for a regional project proposal by UNDP for Cuba, Dominican Republic and Jamaica. Both regional concept notes submitted were endorsed by the Board for Thailand and Vietnam by UNEP, and for Cuba, Dominican Republic and Jamaica by UNDP, for a total amount of USD 11,969,367. Lastly, Board members decided to approve 3 of the 4 project formulation grants for regional pre-concept, and they further endorsed 5 of the 6 regional pre-concepts submitted for their consideration.

There was a request for clarification from some Board members about the suggested way forward when Implementing Entities (IEs) are requested by the PPRC to reformulate a proposal in order to meet the conditions, given the limited resources and other key constraints that IEs may go through. The Secretariat clarified that IEs have to comply with the minimum standards of project eligibility criteria where they have to demonstrate that submitted proposals address adaptation needs, and that a pre-concept has to be endorsed before a full proposal can be further developed, in order to allow feedback as needed. In many cases, proposals fail to demonstrate that aspect, hence the request to provide additional clarity and elements in this regard. Following that, the Board resumed its discussions on the agenda item.

Medium-term strategy for the Fund

In the afternoon, the Secretariat presented a new draft version of the AF's Medium Term Strategy (MTS) for 2018-2022, which aims to update and refine the Fund's niche to better serve the evolving needs of Parties to the UNFCCC and the implementation of the Paris Agreement, by accelerating and enhancing the quality of adaptation action in developing countries. Accordingly, the Fund will pursue this mission through three strategic pillars i) Supporting eligible countries to undertake high quality adaptation projects and programmes consistent with their priority needs, goals and strategies ("Action"); ii) Supporting the development and diffusion of innovative adaptation practices, tools, and technologies ("Innovation), and iii) Supporting learning and sharing about adaptation finance and action ("Learning and sharing").

Board members acknowledged the work undertaken by the Secretariat and the stakeholder consultations conducted to inform the draft MTS. Some Board members sought clarity regarding the budgetary implications that the implementation of the MTS would entail. Others highlighted that in order to be accessible to the wider public, a shorter, leaner version or executive summary of the MTS should be produced, which clearly outlines the AF's added value and could serve as a selling tool for the Fund. Furthermore, questions were raised on how the envisaged fundraising target of USD 100 million per year would be allocated to the three pillars; how the process of establishing linkages with the Green Climate Fund could be incorporated into the MTS; and what exact role the proposed "Steering Group" would play in overseeing the implementation of the MTS.

In responding to the many questions raised the Secretariat clarified that the budgetary implications would depend on the activities defined in the "Implementation Plan", which will be developed by the AF once the MTS is adopted and presented for the consideration of the Board at its next meeting. Regarding the allocation of resources to the three pillars, it was highlighted that tentatively around 80% would be reserved for Pillar I ("Action"), 15% for Pillar II ("Innovation") and 5% for Pillar III ("Learning and Sharing").

Taking into account the comments made by the Board, a revised version of the MTS, as well as a new draft decision will be presented to the Board on the second day of the meeting.

Dialogue with Civil Society Organizations

Before closing the meeting, the Board held its regular dialogue with civil society organizations (CSOs). A representative from Fundación Vida, a CSO from Honduras, presented on the results and lessons learned from the recently concluded AF project in Tegucigalpa, the capital of Honduras. It was highlighted that one of the key results of the project was institutional empowerment through the inclusion of not only the Honduran Ministry of Environment (MoE) as the executing entity, but also other stakeholders, such as municipalities, local governments, water utility companies, universities and civil society organizations, which has greatly increased capacity in the project region. Furthermore, the project has helped mainstreaming climate change issues into national policies, for instance through the adoption of a dedicated national environmental law.

The Adaptation Fund NGO Network provided some policy suggestions regarding observer participation; the draft Medium-Term Strategy; the establishment of linkages with the Green Climate Fund (GCF); and the availability and publication of Project Performance Reports.

Last but not least, the World Resources Institute (WRI) presented the findings of its recent study "The Future of the Funds", regarding the potential role of the AF in the multilateral climate finance architecture.

Board members welcomed the inputs received from CSOs, raising questions regarding the degree of interaction with local beneficiaries of AF-funded activities; options for the establishment of linkages with the GCF, including for the AF to seek accreditation; and ways to increase the involvement of observers during AF Board meetings, for instance by providing room for stakeholders to comment on the various agenda items before decisions are being taken by the Board.

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Our mailing address is:

Climate and Development Knowledge Network (CDKN)
203 Blackfriars Road London, England SE1 8NJ, United Kingdom