

BRIEFING PAPER

# **Enhancing dissemination of knowledge and experiences from the Adaptation Fund as a pathway towards serving the Paris Agreement**

Report on the 28<sup>th</sup> meeting of the Adaptation Fund Board

Jean Paul Brice Affana

## Summary

The Adaptation Fund Board successfully concluded its 28<sup>th</sup> Meeting in Bonn, Germany from 4–7 October 2016 only a month before the twenty-second session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP22) which will be held in Marrakech, Morocco. The meeting encouraged reflections on how to fully enhance dissemination of knowledge and experiences generated by the Fund in order to leverage the understanding about its relevance and contributions to adaptation efforts of nations and communities worldwide facing the adverse effects of climate change. Members of the Board considered that achieving such goal would be a key milestone to develop a pathway towards the Adaptation Fund being recognised as one of the entities entrusted with the Financial Mechanism of the UNFCCC to serve the Paris Agreement, such as the Green Climate Fund and the Global Environment Facility that were both acknowledged by the outcomes of COP21 in Paris last year. As usual, civil society representatives were allowed to observe the meeting and to engage in discussions with Board members. As such, they contributed to the debates.

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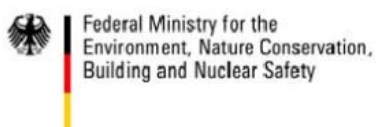
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# 1 Introduction

The Adaptation Fund Board (AFB) held its twenty-eighth meeting from 4–7 October 2017 at the United Nations campus in Bonn, Germany only a month away from the twenty-second session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP22) scheduled to take place in November this year. The meeting was preceded by meetings of the two Committees of the Fund, the Ethics and Finance Committee and the Project and Programme Review Committee. The meeting opened with the AF Secretariat reporting on its activities in the intersessional period, and this session allowed Ms. Marcia Levaggi, Manager of the Secretariat, to deliver a vibrant speech as she had planned to step down from office on 21st October. In her words, she underlined the impacts the Fund has achieved over the years and wished all the very best for the future of the institution. Many Board members thanked and congratulated Ms. Levaggi's dedication in her management role.

The Board discussions also reflected on how to fully enhance dissemination of knowledge and experiences generated by the Fund in order to leverage the understanding about its relevance and contributions to adaptation efforts of nations and communities worldwide facing the adverse effects of climate change. The Board considered that achieving such goal would be a key milestone to develop a pathway towards the Fund being recognised as one of the entities entrusted with the Financial Mechanism of the UNFCCC to serve the Paris Agreement, such as the Green Climate Fund and the Global Environment Facility that were both acknowledged by the outcomes of COP21 in Paris.

With civil society been recognised as an important stakeholder in the Fund debates and decision-making processes, civil society representatives were as usual allowed to observe the meeting and engage in debates with Board members, especially during their CSO Dialogue. Civil society perspective and inputs were included in the discussions about AF processes, policies as well as funded projects.

## 2 Report of the Accreditation Panel (AP)

The Chair of the Accreditation Panel (AP) was invited to report on the twenty-third meeting of the Panel which was held from 29–30 August 2016 in Washington, D.C., USA to review both new and existing applications for accreditation to the Fund, and deliberate on how to further improve the accreditation process. The report pointed out that the World Meteorological Organization had been reaccredited and that many implementing entities are still in the pipeline to be accredited or re-accredited. An increased number of 42 accredited implementing entities was noted, comprising 24 National Implementing Entities (NIEs), 12 Multilateral Implementing Entities (MIEs) and 6 Regional Implementing Entity (RIEs). The AP Chair added that the twenty-fourth meeting of the Panel is scheduled to be held on 31 January–1 February 2017 in Washington D.C. too.

### **3 Dialogue with the UNFCCC Executive Secretary**

The Board members had an opportunity to dialogue with UNFCCC Executive Secretary, Ms. Patricia Espinosa, who acknowledged the AF's achievements, praised the dissemination of its knowledge and experience to other relevant processes and shared her concerns about the fragmentation of climate finance and the issue of the Fund's future. Board members discussed COP22 and the pathway for the AF to serve the Paris Agreement with her, and Ms. Espinosa wished that role to be recognised at the conference in Marrakech 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). She stressed that this would require active support of Parties when discussing the agenda in Marrakech.

### **4 Report of the Ethics and Finance Committee (EFC)**

The Ethics and Finance Committee (EFC) presented its report which focused among other issues on the second phase of the evaluation of the AF. The Committee informed the Board that they are considering hiring experts to conduct the evaluation and are willing to include a civil society representative in collaboration with the AF NGO Network. The EFC also discussed the lifting of the USD 10 million country cap which is the maximum amount of funds each country can currently receive from the AF. Discussions on the country cap were similar to the previous meeting with some Board members in favour of lifting the cap, while others argued that countries that have not yet received funding from the Fund should be prioritized. As a way forward, it was proposed that the EFC would include this issue in its discussion on the medium-term strategy of the AF. The Board adopted by the end of the agenda item 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 Ad-Hoc Complaint Handling Mechanism.

### **5 Dialogue with civil society organisations**

Members of the AF NGO Network were invited by the Board to host their CSO Dialogue as per previous meetings. Representatives from civil society joined forces and used that occasion to report on discussions held during an Expert Dinner organized by the Network just the day before to explore during interactions with some Board members alternative sources of funding towards a AF strategic agenda in the post Paris era. Network member Fundación Vida presented insights on the AFN monitoring and evaluation scorecards using an application example in the context of the AF project in Honduras. Another member, JVE Benin shared civil society views and relevant lessons on the delays around the AF project preparation phase and how CSOs interact with national au-

thorities on that issue. A representative of Transparency International (TI) presented views on the Ad-Hoc Complaint Handling Mechanism that the AF is looking at implementing, and gave suggestions for further improvement. An interaction between the Board and CSOs followed, and some members welcomed suggestions from civil society and expressed their wish for further work on these ideas which may benefit the AF policy discussions and processes.

## **6 Potential linkages with the Green Climate Fund (GCF)**

The Vice-Chair invited the AF Secretariat to report on discussions held between the AF and the GCF on potential linkages, following the GCF Board decision to initiate an annual dialogue with different climate finance delivery channels. The Secretariat stated that discussions were held between representatives from both funds and focused on how both funds could further explore complementarities, for instance on readiness, which is a strong link to share experiences and expertise of the AF with the GCF and enable lessons learned 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 topic. As a way forward, the Secretariat informed that it was suggested to host an annual dialogue with the GCF at the next GCF Board meeting in December in Samoa. The Board appreciated the idea of an annual dialogue to discuss potential linkages between both institutions, and decided that the Chair and Vice-Chair will nominate representatives to attend the first annual dialogue initiated with the GCF to enhance complementarity and coherence between both funds. Furthermore, they were requested to continue discussions and consultations on the issue and report back at the next meeting on progress made regarding this topic.

## **7 Medium-Term Strategy**

The Board discussed the AF medium-term strategy for which the Secretariat had developed a framework given that at the previous AFB meeting, the Board deliberated on the Fund's overall strategic direction, resulting in a request to the Secretariat to prepare and present options for a framework for a medium-term strategy for the AF which needs to take into account the findings of Phase I of the Overall Evaluation of the Fund in addition to matters regarding the Fund's financial situation; progress made on accreditation and readiness; the allocation of funds; and potential linkages between the AF and the Green Climate Fund. After discussing the issue at a closed session, the Board decided to establish a task force to guide the work of the Secretariat on this matter. Additionally, the Secretariat was asked to revise the options for the strategy, which will be reconsidered by the Board at its next meeting and finalised at the latest at the thirtieth Board meeting in October 2017.

## **8 Resource mobilisation strategy**

At the meeting, an updated version on the resource mobilization strategy for the AF was presented by the Resource Mobilization Task Force which recommended increasing the annual funding target to over USD 100 million in the coming years. Moreover, it was emphasized that the decision whether or not the Fund would serve the Paris Agreement would be crucial for the resource mobilization aspect. Recalling that the private donor market has not been a viable option in the past, it was noted that public funding still plays an important role and that one should also consider the GCF as an alternative source for revenue for the AF. The Task Force also outlined that governments will continue to play an important role to bridge the funding gap until alternative financing sources are established. The Board welcomed the report and requested the Secretariat to develop a resource mobilization action plan, based on the updated strategy, while also taking into account the options for a framework for a medium-term strategy as discussed earlier by the Board members.

## **9 Report of the Programme and Programme Review Committee (PPRC)**

The Project and Programme Review Committee (PPRC) presented its report to the Board on activities undertaken in the period preceding the meeting. The report covered the consideration of project/programme proposals as well as the prioritization among regional project/programme proposals.

### **9.1 Prioritization among regional project/programme proposals**

The Project and Programme Review Committee recommendation to the Board was considered with the Board deciding to consider the Committee's recommendation on prioritization among regional project and programme, in case proposals recommended to be funded exceeded the available slots under the dedicated pilot programme. The Board agreed on a three-tier prioritization system which aims to maximize the total diversity of projects. It also decided to continue considering regional proposals beyond the pilot programme, and to establish two pipelines for technically cleared regional proposals (one for proposals of up to USD 5 million and one for proposals of up to USD 14 million).

### **9.2 Project/programme proposals**

The following discussions on consideration of funding proposals allowed the Board to approve two single-country proposals – one by the National Bank for Agriculture and Rural Development (NABARD) for India and one by UN-Habitat for Laos – out of 8 fully-developed project proposals submitted. In addition, 5 out of the 9 single-country concept notes were endorsed by the Board,

including 2 small-size concept proposals from the Desert Research Foundation of Namibia (DRFN). Regarding the regional projects and programmes none of the 4 fully-developed regional project proposals were approved by the Board. However, the two submitted regional pre-concepts – one from the Sahara and Sahel Observatory (OSS) and one from UN-Habitat – were endorsed, as well as 3 regional concepts out of the 5 submitted for consideration.

### **9.3 Other matters**

The Board stressed the need for continued review and approval of readiness grant proposals on an annual and intersessional basis. It was then requested for the Secretariat to continue reviewing readiness grant proposals and to present at the 20th meeting of the PPRC – and from then on an annual basis – an analysis of the intersessional review cycle. Furthermore, the Board decided to follow the recommendation of the PPRC and cancelled the readiness project and grant for the NIE of Burundi. Board members finally requested the Secretariat to propose options on how post-implementation learning and impact evaluations could be arranged for AF projects and programmes.

## **10 Report on the Readiness Programme**

The AF Secretariat reported on the implementation of activities conducted during the intersessional period as part of the Readiness Programme covering 1st April–30 September 2016. It was emphasized that a readiness webinar for NIEs was organised enabling them to share country experiences. A workshop for francophone countries was held in Morocco from 3-5 May, a LAC region workshop from 7-9 June in Honduras, and a NIE seminar from 13-15 July in Washington, D.C. which provided NIEs, including new ones with the opportunity to comment and reflect on new gender policy and other relevant issues. From 23-25 August, the Secretariat organised a third regional workshop in Asia focusing on capacity-building for accreditation issues and how to strengthen multistakeholders collaboration. The MENA region workshop in September focused on understanding the accreditation process, project design and development, and the Secretariat met with the COP22 President and other stakeholders on that occasion. A second readiness webinar is scheduled for 27 October 2016.

On knowledge management, the Secretariat continued to provide contents and to share knowledge and information through the readiness website in collaboration with CDKN. Activities have benefited NIEs and countries seeking accreditation with the AF and strengthened collaboration between NIEs and countries. Requests were made for more peer-learning where accredited entities can mentor those seeking accreditation and for further regional workshops like the previous ones. The programme performed well with one NIE from a SIDS accredited, 19 project proposals received by the secretariat including nine from NIEs, two from SIDS and two from LDCs. Global reach was also achieved, new partnerships were developed and USD 201,000 leveraged by the Secretariat. A global workshop for LDCs is planned for 2017, and a NIE Community of Practice will be developed. The Board welcomed the report and encouraged the Secretariat to enhance its collaboration with the GCF on readiness activities and to pursue regional workshops and webinars which contribute to the programme.



## **11 Report on Communication and Outreach activities**

The AF Secretariat reported to the Board that from March to September 2016, it has produced 18 news releases, 3 project stories, 26 short stories which participated to raise the AF profile through creative outreach. An AF Photo Contest was launched and attracted 127 submissions worldwide with winners displayed in Washington, D.C. The AF website was viewed 220,642 times and recorded 22,165 visitors from March to August. Twitter has continued to grow with 6,000 new followers over the past months, 10,700 likes were recorded on the Facebook page with good community engagement, while Flickr has attracted new photo albums from various countries, and LinkedIn got 78 new followers. Traditional media channels like press releases, photos, reports, newsletters were expanded through email lists reaching up to 29% of the average rate. During COP22, the Secretariat plans to run a micro site where activities, achievements, financing targets and other initiatives will be featured. A side event on agriculture will be hosted, a multimedia exhibit showcasing photos and videos on gender and climate change for instance will take place, and a new AF flyer and Story Bookmark will be promoted. A Contributor Dialogue will be organized on AF financing goals. The Secretariat was advised by the Board to build partnerships with relevant institutions so to expand its communication and outreach goals, and to strongly focus them on the AF relevance for climate action using stories from NIEs to demonstrate impacts and achievements.

## **12 Financial issues**

Serving as the AF Trustee, the World Bank reported on financial issues and outlined that sales of Certified Emission Reductions (CERs) have yielded USD 2 million in Fiscal Year 2016, while the Fund continued to receive donations from developed countries and sub-national governments, with cumulative donations received amounting to USD 344.76 million as of June 2016. It was also pointed out that overall, cumulative resources received into the AF Trust Fund through CER sales proceeds and donations reached USD 559.09 million as of 30 June 2016. Since the start of the CER monetization program in May 2009, the Trustee has generated revenues of USD 196.58 million through CER sales. The AF Trustee concluded its report by informing the Board that its mandate will expire in May 2017, and it is expected that the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP) makes a new decision at COP22 about extending or not the mandate beyond the current one.

## **13 Elections of Officers**

As the meeting was about to conclude, the Chair facilitated the election of Officers by first reminding their mandate in serving in the AF Board, and their distribution among eligible Parties to the election. After announcing all opened positions, he invited members to nominate their candidates. By the end of the nominations and discussions, the Board elected its new Chair, Mr. Michael Kracht

(Germany), as well as the Chair and Vice-Chair of the Accreditation Panel, Ms. Fatuma Mohamed Hussein (Kenya) and Ms. Yuka Greiler (Switzerland).

## 14 Conclusion

The Adaptation Fund has realized since its establishment numerous results over the years. At its twenty-eighth meeting, the Board recognized that efforts are required to enhance the dissemination of knowledge and experiences from the Fund as a pathway to increase understanding among relevant stakeholders about the value of the AF to contribute to climate change adaptation needs and resilience worldwide. In fact, that goal could also serve as a strong argument and way forward for the Fund to be recognized for serving the Paris Agreement.

As the AF has recorded in August this year its second largest number of proposals in its history, amounting a total of USD 208.6 million requested by accredited implementing entities, the need for a proactive resources mobilisation strategy for the Fund was identified during the debates as another priority to meet the growing financing needs. COP22 was therefore considered as a critical yet positive step to move the process forward and achieve the fundraising target of the year of USD 80 million to support adaptation of nations and communities highly affected by climate change across the planet.

The Board adopted a decision about the next meetings will be held from 14–17 March 2017 for the twenty-ninth session and from 10–13 October 2017 for the thirtieth one, both in Bonn, Germany. The full AF Secretariat report about decisions adopted at the meeting can be found at this link:

<https://www.adaptation-fund.org/document/report-28th-af-board-meeting/>

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