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**Conference of the Parties serving as the meeting  
of the Parties to the Kyoto Protocol**

**Fourteenth session**

**Katowice, 2–14 December 2018**

Item X of the provisional agenda

**Report of the Adaptation Fund Board**

**Note by the Chair of the Adaptation Fund Board**

*Summary*

This report has been prepared in response to decision 1/CMP.3 requesting the Adaptation Fund Board to report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and covers the period from 1 July 2017 to 30 June 2018. An addendum, which covers the period from 1 July 2018 to 12 October 2018, will be issued after the 32<sup>nd</sup> meeting of the Adaptation Fund Board. The Chair of the Board will report orally to CMP 14 on activities carried out after the reporting period. The report provides information on progress made with respect to the Adaptation Fund, in particular on the implementation of tasks mandated by the CMP, and recommends actions to be taken by the CMP, as appropriate. The report contains, inter alia, information on decisions and actions taken by the Adaptation Fund Board to be noted by the CMP.

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## Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1–5	3
A. Mandate .....	1–2	3
B. Scope of the note .....	3	3
C. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session .....	4–5	3
II. Work undertaken during the reporting period .....	6–44	4
III. Operational linkages and relations with institutions under the Convention .....	45–70	10
IV. Support provided to the Adaptation Fund Board for the implementation of its mandate .....	71–78	17
V. The Adaptation Fund and the Paris Agreement .....	79–83	18
 Annexes		
I. Added value of the Adaptation Fund for the operationalization of the Paris Agreement: information relevant to the process outlined in decision 1/CP.21, paragraphs 59 and 60, decision 1/CP.22, paragraph 14, decision 1/CMA.1, paragraph 11, decision 1/CMP.11, paragraph 9 and decision 1/CMP.13, paragraphs 12 and 13.....		19
II. Adaptation Fund Board members and alternate members.....		28
III. Approved and actual fiscal year 2018 and approved fiscal year 2019 budget of the Adaptation Fund Board, the secretariat and the trustee.....		30
IV. Accredited implementing entities.....		31
V. Project-related funding decisions by the Adaptation Fund Board between 1 July 2017 and 30 June 2018.....		33
VI. Status of the portfolio of the Adaptation Fund.....		44
VII. Guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session and response by the Adaptation Fund Board.....		55
VIII. Financial report of the Adaptation Fund Trust Fund as at 30 June 2018, prepared by the trustee: supplemental report to the Adaptation Fund Board Report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session.....		58

## I. Introduction

### A. Mandate

1. The Conference of the Parties (COP), at its seventh session, agreed to the establishment of the Adaptation Fund (hereinafter referred to as the Fund).<sup>1</sup> The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its third session, decided that the operating entity of the Fund would be the Adaptation Fund Board (the Board), serviced by a secretariat and an interim trustee (the trustee).<sup>2</sup>

2. The CMP requested the Board to report on its activities at each session of the CMP.<sup>3</sup> It further invited the Global Environment Facility (GEF) to provide secretariat services to the Board, and the International Bank for Reconstruction and Development (the World Bank) to serve as the trustee for the Fund, both on an interim basis.<sup>4</sup>

### B. Scope of the note

3. This report provides information on progress made by the Fund, in particular on the implementation of the tasks mandated by the CMP, and recommendations for actions to be taken by the CMP, as appropriate. Unless otherwise noted, the report covers the period from 1 July 2017 to 30 June 2018.

### C. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session

4. The CMP may wish to take note of the information contained in this report.

5. The Board invites the CMP to take note of the following key events, actions and decisions, taken in accordance with decision 1/CMP.4, paragraph 10:

(a) During the reporting period, three national implementing entities (NIEs) that can directly access resources from the Fund were accredited. As at the date of this report, the total number of accredited implementing entities amounted to 28 NIEs, 6 regional implementing entities (RIEs) and 12 multilateral implementing entities (MIEs). In particular, seven NIEs from the least developed countries (LDCs) and six NIEs from small island developing States (SIDS) have been accredited. A total of 13 accredited implementing entities have been reaccredited among the 46 accredited implementing entities of the Fund: 3 NIEs, 1 RIE and 9 MIEs;

(b) Cumulative receipts into the Adaptation Fund Trust Fund reached USD 753.5 million, comprising USD 199.4 million from the monetization of certified emission reductions (CERs), USD 538.3 million from additional contributions and USD 15.8 million from investment income earned on the Trust Fund balances (as at 30 June 2018). The receipts during the reporting period were USD 104.1 million, comprising USD 1.6 million from the monetization of CERs, USD 95.9 million from additional contributions and USD 6.5 million from investment income;

(c) Cumulative project and programme approvals reached USD 476.8 million (as at 30 June 2018);

(d) Adoption, by the Board, of the first medium-term strategy for the Fund for the period 2018–2022 (in October 2017) and of an implementation plan for the strategy (in March 2018). The Board started implementing the strategy in accordance with the plan;

<sup>1</sup> Decision 10/CP.7, paragraph 1.

<sup>2</sup> Decision 1/CMP.3, paragraph 3.

<sup>3</sup> Decision 1/CMP.3, paragraph 5(l).

<sup>4</sup> Decision 1/CMP.3, paragraphs 18–23.

(e) Approval of funding decisions for readiness grants amounting to USD 175,000, consisting of USD 150,000 in South–South cooperation grants and a USD 25,000 technical assistance grant for the environmental and social safeguards policy and the gender policy (see annex V for a summary of all readiness grant decisions);

(f) Approval, under the pilot phase of the readiness support package, of the first readiness support package grant (in July 2018), amounting to USD 100,000, to provide tailored technical assistance and capacity-building through a suite of tools for supporting developing country entities in accessing the Fund’s resources through direct access;

(g) Ongoing discussion on linkages between the Fund and the Green Climate Fund (GCF);

(h) Funds made available for new funding approvals amounted to USD 225.7 million as at 30 June 2018;

(i) Approval of eight single-country project or programme proposals submitted by implementing entities with the total amount of USD 29.0 million, including four proposals submitted by the NIEs for Cook Islands, Micronesia (Federated States of), Namibia and Senegal, amounting to USD 10.3 million. One proposal was submitted by an RIE with the amount of USD 10.0 million for Guinea-Bissau. Lastly, three proposals submitted by MIEs, with a total amount of USD 18.6 million, were approved for Fiji, Iraq and Solomon Islands;

(j) Approval of two regional (multi-country) projects, with total funding of USD 19.0 million, including USD 14.0 million for Colombia and Ecuador and USD 5.0 million for Burundi, Kenya, Rwanda, Uganda and United Republic of Tanzania, and a decision to provide funding up to the amount of USD 60.0 million for regional project and programme proposals in fiscal year 2019 (1 July 2018 to 30 June 2019);

(k) Contributions received during the reporting period amounted to USD 95.9 million, from Germany, Ireland, Italy and Sweden, and the Brussels-Capital and Walloon Regions of Belgium.

## II. Work undertaken during the reporting period

6. The Board held two meetings during the reporting period, each convened in Bonn, at the premises of the secretariat of the United Nations Convention to Combat Desertification. The agendas and annotations (including background documentation on the agenda items) and detailed reports of the meetings are available on the Fund’s website.<sup>5</sup>

7. The following sections describe the major work undertaken by the Board during the reporting period.

### *Election of the Chair and Vice-Chair of the Adaptation Fund Board*

8. In accordance with decision 1/CMP.3, paragraph 13, the Board, at its 30<sup>th</sup> meeting, elected by consensus Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean) as its Chair. During the intersessional period between the 30<sup>th</sup> and the 31<sup>st</sup> meetings, the Board elected Ms. Sylviane Bilgischer (Belgium, Parties included in Annex I to the Convention (Annex I Parties)) as Vice-Chair.

### *Changes in composition of the Adaptation Fund Board*

9. During the reporting period, a number of members and alternate members of the Board were replaced. Among the members, Ms. Barbara Schäfer (Germany, Western European and other States) replaced Mr. Hans Olav Ibrekk (Norway), and Ms. Bilgischer (Belgium, Annex I Parties) replaced Mr. Michael Jan Hendrik Kracht (Germany). Among the alternate members, Mr. Massoud Rezvanian Rahaghi (Islamic Republic of Iran, Asia-Pacific States) replaced Mr. Naser Moghaddasi (Islamic Republic of Iran), Ms. Aida Velasco Munguira (Spain, Western European and other States) replaced Ms. Yuka Greiler

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<sup>5</sup> <http://www.adaptation-fund.org>.

(Switzerland) and Mr. Patrick Sieber (Switzerland, Annex I Parties) replaced Ms. Greiler (Switzerland), who resigned after replacing Ms. Aida Velasco Munguira (Spain). In addition, Mr. Naresh Sharma (Nepal), member, and Mr. Chebet Maikut (Uganda), alternate member, both for the LDCs, switched their positions. One member position, previously held by Mr. Lucas di Pietro Paolo (Argentina, Latin American and Caribbean States), and two alternate member positions, previously held by Mr. Philip Weech (Bahamas, Latin American and Caribbean States) and by Ms. Sylviane Bilgischer (Belgium, Western European and other States), had not been filled as at the end of the reporting period.

10. The complete list of Board members and alternate members is contained in annex II.

#### *Calendar of meetings of the Adaptation Fund Board in 2018*

11. The Board adopted a calendar of meetings for 2018 (see Table 1) for its 31<sup>st</sup> and 32<sup>nd</sup> meetings. Meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) immediately preceded each Board meeting.

#### **Calendar of meetings of the Adaptation Fund Board in 2018**

<i>Meeting and dates</i>	<i>Location</i>
31 <sup>st</sup> meeting, 22 and 23 March	Bonn, Germany
32 <sup>nd</sup> meeting, 11 and 12 October	Bonn, Germany

#### *Resources in the Adaptation Fund Trust Fund*

12. As at 30 June 2018, the trustee had sold 26.7 million Fund CERs at an average price of USD 7.47, generating revenues of USD 199.4 million. Receipts from the monetization of CERs amounted to USD 1.6 million during the 12-month period ending on 30 June 2018. As at 30 June 2018, 11.7 million CERs were still available to be sold, in accordance with the CER monetization guidelines adopted by the Board. The Board has instructed the trustee to transfer USD 294.8 million to implementing entities to date.

13. Funds available for new funding approvals amounted to USD 225.7 million as at 30 June 2018.

#### *Workplan of the Adaptation Fund Board*

14. The Board, at its 31<sup>st</sup> meeting, adopted its workplan for the fiscal year from 1 July 2018 to 30 June 2019.<sup>6</sup>

#### *Budget of the Adaptation Fund Board, secretariat and trustee*

15. At its 31<sup>st</sup> meeting, the Board considered and approved resources to support the work of the Board and its secretariat and the trustee through to 30 June 2019 (see annex III).<sup>7</sup> The estimated administrative budget requirement approved for fiscal year 2019 for the Board, the secretariat and the trustee is USD 6,069,715 as at 30 June 2018, representing an increase of 6 per cent from the approved amount for the previous year. The approved budget accommodates (1) the increased non-salary staff cost,<sup>8</sup> (2) the implementation of a series of activities under the medium-term strategy and (3) the establishment of the evaluation function of the Fund.

#### *Accreditation of implementing entities*

16. Decision 1/CMP.3, paragraph 30, provides that “in order to submit a project proposal, Parties and implementing or executing entities shall meet the criteria adopted by

<sup>6</sup> Adaptation Fund Board decision B.31/28.

<sup>7</sup> Adaptation Fund Board decision B.31/29.

<sup>8</sup> The secretariat is hosted by the GEF secretariat and is under the administration of the World Bank Group. The non-salary staff cost recovery rate was revised from 50 per cent to 70 per cent of the staff salary effective on 1 July 2017 under the policy change applying across the World Bank Group.

the Adaptation Fund Board in accordance with paragraph 5(c) above, in order to access funding from the Adaptation Fund”.

17. The Board’s Accreditation Panel met three times during the reporting period. The Board elected Mr. Antonio Navarra (Italy, Annex I Parties) as Chair and Mr. Chebet Maikut (Uganda, LDCs) as Vice-Chair. The Accreditation Panel consists of these two Board members and four independent expert members.

18. In line with the decision referred to in paragraph 16 above, during the reporting period, the Board considered the recommendations of the Accreditation Panel and approved the accreditation of three additional NIEs, namely, the National Environment Management Council of the United Republic of Tanzania, the Agricultural Bank of the Niger and the Bhutan Trust Fund for Environment Conservation. During the reporting period, the total number of accredited implementing entities amounted to 28 NIEs, 6 RIEs and 12 MIEs. In particular, seven NIEs from the LDCs and six NIEs from SIDS have been accredited. Further, 14 NIEs from the LDCs and 7 from SIDS are in the accreditation pipeline. Of the 46 accredited implementing entities of the Fund, 13 have been re-accredited: 3 NIEs, 1 RIE and 9 MIEs. The list of accredited implementing entities is contained in annex IV.

19. The EFC, at its 22<sup>nd</sup> meeting, on 20 and 21 March 2018, considered the issue of the efficiency and effectiveness of the accreditation process.<sup>9</sup> Having considered the comments and recommendation of the EFC, the Board, at its 30<sup>th</sup> meeting, made decisions on reviewing existing policies or establishing new policies for the accreditation process, as well as strengthening and simplifying it.<sup>10</sup> The Accreditation Panel, at its 27<sup>th</sup> meeting, on 6 and 7 February 2018, held extensive discussions on the possible update of the reaccreditation process, which were reported to the Board at its 30<sup>th</sup> meeting.<sup>11</sup> The Accreditation Panel also proposed an updated reaccreditation process for the Board’s consideration. Having considered the recommendation of the Accreditation Panel, the Board decided to adopt the updated reaccreditation process.<sup>12</sup> Further, to help avoid delays in reaccreditation, the Accreditation Panel prepared an information note for designated authorities on selecting a potential NIE, which the secretariat communicated to the designated authorities.

#### *Adaptation Fund Board committees*

20. The EFC and the PPRC, established by the Board in 2009, met twice during the reporting period, scheduling their meetings two days prior to the subsequent Board meetings. Mr. Naresh Sharma (Nepal, LDCs) was elected as Chair and Ms. Aida Velasco Munguira (Spain, Western European and other States) as Vice-Chair of the PPRC. Ms. Tove Zetterström-Goldmann (Sweden, Annex I Parties) was elected as Chair and Ms. Patience Dampety (Ghana, Parties not included in Annex I to the Convention (non-Annex I Parties)) as Vice-Chair of the EFC.

21. The EFC considered and made recommendations to the Board on the following items: the annual performance report for fiscal year 2017; phase II of the overall evaluation of the Fund; the establishment of the evaluation function; the efficiency and effectiveness of the accreditation process; a new annex to the operational policies and guidelines related to project and programme implementation; and the budget and workplan of the Board, secretariat and trustee.

22. As at the end of the reporting period, the PPRC had reviewed 15 single-country project concepts and 23 fully developed proposals for single-country projects, representing 29 distinct proposed projects, reviewed during two meetings and one intersessional review period.

23. It had also reviewed nine pre-concepts, eight concepts and seven fully developed project documents for regional (multi-country) projects and programmes, representing 17

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<sup>9</sup> Adaptation Fund Board document AFB/EFC.22/4. Available at <https://www.adaptation-fund.org/documents-publications/>.

<sup>10</sup> Adaptation Fund Board decision B.31/26.

<sup>11</sup> Adaptation Fund Board document AFB/B.31/4.

<sup>12</sup> Adaptation Fund Board decision B.31/1.

distinct proposed projects and programmes. At its 31<sup>st</sup> meeting, the Board decided to merge the two pipelines for technically cleared regional proposals, containing proposals requesting funding in the two categories of regional projects and programmes, up to USD 14 million and up to USD 5 million, respectively, established in Adaptation Fund Board decision B.28/1(b)(ii), so that (1) starting in fiscal year 2019, the total provisional amount of funding for regional proposals each year would be allocated without distinction between the two categories originally described in Adaptation Fund Board document AFB/B.25/6/Rev.2, and (2) the funding of technically cleared regional proposals would be granted on a ‘first come, first served’ basis.

24. The PPRC also discussed and conveyed to the Board the outcomes of its deliberations on the definition of the principle of funding the full cost of adaptation in projects and programmes funded by the Fund, and discussed options for how post-implementation learning and impact evaluation could be arranged for projects and programmes.

*Funding decisions on adaptation projects and programmes*

25. Decision 1/CMP.4, paragraph 10, requests the Board “to start processing proposals for funding projects, activities or programmes, as applicable, and to report back on progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.”

26. In line with the decision referred to in paragraph 25 above, the Board approved eight single-country proposals for funding for a total amount of USD 38.9 million and two regional proposals for funding for a total amount of USD 19.0 million during the Board meetings held during the reporting period and intersessionally (see annex V). As at the end of the reporting period, single-country proposals amounting to USD 30.6 million and regional proposals amounting to USD 85.7 million awaited intersessional Board decision through a non-objection process, which was to be completed by 16 July 2018.

27. The Parties whose single-country proposals were approved or recommended for approval for funding over the reporting period are Cook Islands, Ecuador, Fiji, Guinea-Bissau, Iraq, Micronesia (Federated States of), Mongolia, Namibia, Senegal and Solomon Islands. The Parties included in regional proposals that were approved or recommended for approval for funding under the funding window for regional projects and programmes over the reporting period are Benin, Burkina Faso, Burundi, Chile, Colombia, Ecuador (two proposals), Ghana, Kenya, Niger, Rwanda, Togo, Uganda and United Republic of Tanzania.

28. In addition to the funding decisions referred to in paragraph 25 above, the Board endorsed six single-country project concepts, for Armenia (two concepts), Cambodia, Indonesia (two concepts) and Lesotho, for a total amount of USD 17.4 million, at its meetings during the reporting period, and approved four project formulation grants for those projects that had been submitted by NIEs, for a total amount of USD 117,000.

29. Under the funding window for regional projects and programmes, the Board endorsed five project concepts for a total amount of USD 42.4 million, for regional projects in Argentina and Uruguay; Benin, Burkina Faso, Côte d’Ivoire, Ghana, Mali and Togo; Benin, Burkina Faso and Niger; Cuba, Dominican Republic and Jamaica; and Thailand and Viet Nam. Additionally, the Board endorsed five regional project pre-concepts for a total amount of USD 58.3 million, for regional projects in Albania, Montenegro and the former Yugoslav Republic of Macedonia; Chile, Colombia and Peru; Côte d’Ivoire and Ghana; Côte d’Ivoire and Guinea; and Djibouti, Kenya, Sudan and Uganda. The Board also approved USD 339,980 in project formulation grants for endorsed pre-concepts and concepts. Another three regional concepts amounting to USD 32.1 million were recommended for endorsement for Djibouti, Kenya, Sudan and Uganda; Côte d’Ivoire and Ghana; and Kazakhstan, Tajikistan and Uzbekistan. Their associated project formulation grants, amounting to USD 257,200, were recommended for approval, and as at the date of this report were awaiting intersessional Board decision through a two-week non-objection process, to be completed by 16 July 2018.

30. The sectors represented in the approved fully developed proposals and endorsed pre-concepts and concepts include agriculture, coastal management, disaster risk reduction,

food security, rural development, urban development, water resources management multisector projects and ecosystem-based adaptation. This is illustrated in annex V, figures 1 and 2.

31. CMP 11 requested the Board to provide in its reports to the CMP further information on the status of the portfolio of the Fund, including projects at different stages of development.<sup>13</sup> The requested information is contained in annex VI.

32. Responding to the suggestions and requests made by the civil society and non-governmental organization observers, all project and programme proposals are posted on the Fund's website as they are received, and interested stakeholders may send comments pertaining to the proposals to be posted online. Comments on proposals submitted to the Board can be sent by electronic message to the secretariat,<sup>14</sup> and are available on the respective project page on the website and included in the respective project document submitted to the PPRC.

#### *Medium-term strategy*

33. During the reporting period, the Board completed the process of developing a medium-term strategy, which it had started at its 27<sup>th</sup> meeting in March 2016.<sup>15</sup> The process of drafting the strategy was stepwise and consultative, and the secretariat's work was guided by a task force elected during the intersessional period before the 29<sup>th</sup> meeting of the Board and at that meeting in March 2017, consisting of Mr. David Kaluba (Zambia, African States), Mr. Naser Moghaddasi (the Islamic Republic of Iran, Asia-Pacific States), Mr. Aram Ter-Zakaryan (Armenia, Eastern European States), Mr. Lucas Di Pietro Paolo (Argentina, Latin American and Caribbean States), Mr. Michael Jan Hendrik Kracht (Germany, Annex I Parties), Ms. Zetterström-Goldmann (Sweden, Annex I Parties) and Mr. Marc-Antoine Martin (France, Annex I Parties).<sup>16</sup> Following discussion and amendments made at the 30<sup>th</sup> meeting of the Board in October 2017, the Board adopted the medium-term strategy at that meeting.<sup>17</sup> The medium-term strategy is available on the Fund's website.<sup>18</sup>

34. The medium-term strategy, which covers a period of five years, from 2018 to 2022, builds on the existing mandate of the Fund, and on an analysis of its key strengths and how it can help meet objectives derived from the 2030 Agenda for Sustainable Development and the Paris Agreement. The strategy outlines three main pillars of support for vulnerable developing countries: (1) action, (2) innovation and (3) learning and sharing. It calls for the Fund to accelerate and enhance the quality of adaptation action in developing countries and support country-driven projects and programmes, innovation and multilevel global learning and sharing for effective adaptation. According to the strategy, all activities are to be designed as gender-responsive and to benefit the most vulnerable. Developing countries will be supported in undertaking high-quality adaptation projects and programmes that align with their development needs and goals. While the Fund has supported innovation and learning throughout its history, the strategy foresees targeted funding for these activities, such as support for scaling up proven innovative adaptation practices and technologies across countries or regions. Practical knowledge and lessons learned will also be captured and communicated from effective Fund activities and impact themes.

35. At its 30<sup>th</sup> meeting, during which it adopted the medium-term strategy, the Board requested the secretariat to prepare, under the supervision of the task force mentioned in paragraph 33 above, a draft implementation plan for operationalizing the strategy, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks. At its 31<sup>st</sup> meeting, the Board considered and approved the draft implementation plan for the medium-term strategy, and requested the secretariat (1) to facilitate the implementation of the plan during the period 2018–2022; (2) to include the administrative budget for implementing the plan in the secretariat's annual

<sup>13</sup> Decision 1/CMP.11, paragraph 11.

<sup>14</sup> <https://www.adaptation-fund.org/contact/>.

<sup>15</sup> Adaptation Fund Board decision B.27/39.

<sup>16</sup> Adaptation Fund Board decision B.29/1.

<sup>17</sup> Adaptation Fund Board decision B.30/42.

<sup>18</sup> <https://www.adaptation-fund.org/document/medium-term-strategy-2018-2022/>.



administrative budget during the strategy period, for consideration by the EFC; (3) to prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features, and submit it to the Board for its consideration in accordance with the tentative timeline contained in an annex of the implementation plan, with input from the Board's committees; (4) to propose, as necessary, and following consideration of the new types of support, amendments to the Fund's operational policies and guidelines to better facilitate the implementation of such new types of support; and (5) to monitor the progress of implementation of the strategy and report on it annually as part of the annual performance reports of the Fund, and if necessary, propose possible adjustments to the plan during its implementation in conjunction with consideration of the annual workplan. The Board also requested the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) to undertake a midterm review of the medium-term strategy and the plan and report to the Board at its 36<sup>th</sup> meeting.<sup>19</sup>

36. As at the date of this report, the secretariat had started facilitating the implementation of the plan, and was in the process of preparing specific documents for new types of grants and funding windows for consideration by the Board and its committees.

#### *Portfolio monitoring*

37. Over the course of the reporting period, 48 projects were under implementation, including 5 projects that started implementation during the reporting period and 2 projects that were completed. A total of USD 292.2 million has been disbursed to the 73 projects approved since the Fund's operationalization, including USD 60.0 million during the reporting period. The largest amount of grant funding approved thus far has been to the African region, with 25 projects totalling USD 181.9 million in grants (38 per cent), followed by the Latin American and Caribbean region, with 20 projects totalling USD 149.7 million in grants (32 per cent); the Asia-Pacific region, with 27 projects totalling USD 136.1 million in grants (29 per cent); and the Eastern European region, with 1 project and approved funding of USD 5.3 million (1 per cent).

38. By sector, the largest grant amount has gone to adaptation projects in the food security sector, with USD 90.3 million approved (19 per cent), followed closely by the agriculture sector, USD 86.8 million (18 per cent), and multisector projects, USD 71.7 million (15 per cent). The eighth annual performance report of the Fund, corresponding to the period 1 July 2017 to 30 June 2018, will be considered by the Board at its 32<sup>nd</sup> meeting. This is illustrated in the figure in annex VI.

39. The Fund tracks the breakdown of the grant amount by Fund level outcome under its strategic results framework. The largest amount of grant funding is channelled towards outcome four of the framework, "Increased adaptive capacity within relevant development and natural resource sectors" (USD 113.1 million, 24 per cent), followed by outcome five, "Increased ecosystem resilience in response to climate change and variability-induced stress" (USD 81.9 million, 17 per cent).

#### *Third review of the Adaptation Fund*

40. The first review of the Fund was concluded at CMP 8 and the second review at CMP 10. During the reporting period, the third review of the Fund was concluded at CMP 13.<sup>20</sup> As per the mandate from CMP 12,<sup>21</sup> the third review was based on the terms of reference contained in the annex to decision 1/CMP.12; views on the third review of the Fund of Parties and observer organizations as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Fund and implementing entities accredited by the Board, based on the terms of reference for the review and submitted for consideration by the Subsidiary Body for Implementation (SBI) at its forty-sixth session; and a technical paper on the third review of the Fund prepared by the UNFCCC secretariat, in collaboration with the Adaptation Fund

<sup>19</sup> Adaptation Fund Board decision B.31/32.

<sup>20</sup> Decision 2/CMP.13.

<sup>21</sup> Decision 1/CMP.12.

Board secretariat, in accordance with the terms of reference for the review, taking into account the deliberations and conclusions of SBI 46 and the aforementioned views, for consideration at SBI 47.

41. CMP 13 took note of the technical paper on the third review of the Fund,<sup>22</sup> welcomed the completion of phase 1 of the independent evaluation of the Fund and looks forward to phase 2. CMP 13 recognized the lessons learned and progress made since the second review of the Fund, including initiatives and improvements such as modalities to enable enhancement of the direct access modality; the Readiness Programme including its South–South mentoring channel; a streamlined process for accreditation for small entities; and guidance on accreditation standards. CMP 13 also recognized the comparative advantage of the Fund, including the speed of project approval, the strategic engagement by stakeholders at the subnational level, the various institutional benefits, the efficiency of institutional arrangements and the enhancement of country ownership in the funding process. CMP 13 welcomed the implementation of mandatory compliance for implementing entities with the Fund’s environmental and social safeguards and gender policy, which enhances the effectiveness of the Fund.<sup>23</sup>

42. CMP 13 noted the efforts made by the Board in enhancing cooperation with other funds to ensure coherence and complementarity,<sup>24</sup> and encouraged the Board (1) to consider options for the improvement of efficiency with regard to the operation of the Fund; (2) to continue to engage with subnational actors and the private sector through, inter alia, microfinance schemes, weather-based insurance arrangements, involvement with local industry groups and farmers in adaptation projects, and public–private partnerships; (3) to consider voluntary tracking of climate finance mobilized, where appropriate; and (4) to continue the efforts made to enhance complementarity and coherence with other funds both under and outside the Convention.<sup>25</sup>

43. CMP 13 also requested the Board (1) to consider lessons learned from the Fund’s engagement with private sector stakeholders in adaptation projects at the local level, including in the decision-making processes of the Fund and in communications with donors; (2) to monitor and assess project approval time under the Readiness Programme, identifying any linkages of this time to the introduction of the Fund’s environmental and social policy, and to take measures to reduce the time, as necessary, while continuing to implement its environmental and social safeguards and gender policy; (3) to continue to provide information on project approval time; (4) to continue monitoring the adaptation impacts and results of the Fund, including using local and sector-specific metrics; and (5) to report on progress made on the mandates arising from decision 2/CMP.13 in future reports of the Fund to the CMP.<sup>26</sup> Annex VII contains a summary presentation of how the Board has responded to the guidance from CMP 13.

44. CMP 13 further requested that SBI 52 (June 2020) initiate the fourth review of the Fund, in accordance with the terms of reference contained in the annex to decision 1/CMP.12, or as amended, and to report back to its governing body to be convened in conjunction with COP 27 (November 2021).

### **III. Operational linkages and relations with institutions under the Convention**

45. CMP 10 requested the Board to consider options for developing operational linkages, as appropriate, between the Fund and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies.<sup>27</sup> CMP 13 noted the efforts made by the Board in enhancing cooperation with other funds to ensure coherence and complementarity, and encouraged the Board to continue such efforts (see para. 42 above).

<sup>22</sup> FCCC/TP/2017/6.

<sup>23</sup> Decision 2/CMP.13, paragraphs 1–5.

<sup>24</sup> Decision 2/CMP.13, paragraph 6.

<sup>25</sup> Decision 2/CMP.13, paragraph 7.

<sup>26</sup> Decision 2/CMP.13, paragraph 8.

<sup>27</sup> Decision 2/CMP.10, paragraph 6.

46. The Board has taken action to promote linkages with other bodies under the Convention, such as the Adaptation Committee, the Climate Technology Centre and Network, the GCF, the GEF and the Standing Committee on Finance. The secretariat participated as an observer in the 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> meetings of the GCF Board; the GCF Structured Dialogue with Latin America (held in Bogotá, Colombia, from 5 to 8 March 2018); the GCF Empowering Direct Access Workshop (held in Songdo, Republic of Korea, from 29 May to 1 June 2018); and the 13<sup>th</sup> meeting of the Adaptation Committee (held in Bonn from 27 February to 2 March 2018). A representative of the GCF joined the 30<sup>th</sup> and 31<sup>st</sup> meetings of the Board as an observer.

47. The secretariat also participated in the second meeting of the Paris Committee on Capacity-building from 3 to 5 May 2018 and participated, as a panellist, in the in-session workshop on long-term climate finance (held from 7 to 8 May 2018); the dialogue on constituted bodies and the integration of gender considerations on behalf of the Board; and the technical expert meeting on adaptation (held in Bonn on 9 and 10 May 2018, which were held in conjunction with SBI 48.1 and SBSTA 48.1 and the fifth part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA)).

48. The secretariat, a dedicated team of officials providing secretariat services to the Board, is hosted by the GEF secretariat, which promotes the exchange of information and knowledge, and provision of cross-support, when needed. The secretariat participated, as an observer, in the sixth GEF Assembly and associated meetings in Da Nang, Viet Nam, from 23 to 29 June 2018, and organized a side event with the GEF, the GEF Small Grants Programme and the United Nations Development Programme.

49. The secretariats of the GCF and the GEF participated in the annual seminar for NIEs of the Fund that took place in Puntarenas Province, Costa Rica, from 26 to 28 July 2017.

50. In 2015, the Board considered establishing an operational linkage between the Fund and the GCF for channelling resources for adaptation, and identified two options:

- (a) Seeking accreditation as a financial intermediary with the GCF;
- (b) Entering into a memorandum of understanding (MOU) or an ad hoc agreement with the GCF.

51. The Board had also considered how to enhance complementarity with the GCF through concrete activities. Following the mandate from the Board, the Chair started, in May 2016, a dialogue with one of the Co-Chairs of the Board of the GCF on potential linkages between the two funds, and the secretariat discussed with the GCF secretariat concrete activities to initiate collaboration, including, but not limited to, the following areas: readiness support, including by organizing joint activities such as workshops or seminars in regions; results-based management; accreditation; and project and programme identification.

52. During the reporting period, in accordance with Adaptation Fund Board decision B.28/38, the Fund's fast-track reaccreditation process was applied to the implementing entities that were accredited with the GCF within four years before the submission of their reaccreditation application to the Fund. At its 30<sup>th</sup> meeting, the Board requested the secretariat to initiate the process toward accreditation with the GCF; to prepare an assessment of options for fund-to-fund arrangements, as described in pillar 1 of the GCF operational framework for complementarity and coherence,<sup>28</sup> for consideration by the Board at its 31<sup>st</sup> meeting; to prepare an information document on the comparative advantages of the Fund for the purposes of board-level discussions between the two funds on fund-to-fund arrangements, including joint financing and the decision-making process; and to pursue discussions with the GCF secretariat on concrete activities in the area of complementarity and coherence identified by the Board in Adaptation Fund Board decision B.26/26. The Board also decided to request the Chair and Vice-Chair, assisted by the secretariat, to attend an annual dialogue, to be initiated by the GCF, in order to enhance complementarity and to actively engage in a structured conversation with the GCF Board. During COP 23, the Chair and Vice-Chair of the Fund attended the first annual dialogue

<sup>28</sup> As contained in GCF document GCF/B.17/08.

held by the GCF with representatives of the boards and the secretariats of climate finance delivery channels (the Fund, the GCF, the GEF and climate investment funds). As a follow-up to the dialogue, the secretariat held a technical workshop with the GCF secretariat in February 2018.

53. CMP 13 noted the efforts made by the Board to enhance cooperation with other funds to ensure coherence and complementarity, and encouraged the Board to continue its efforts to enhance complementarity and coherence with other funds both under and outside the Convention.<sup>29</sup>

54. At its 31<sup>st</sup> meeting, the Board discussed further potential linkages with the GCF, and invited a representative of the GCF secretariat to address the Board to explain the meaning of fund-to-fund arrangements under pillar 1 of the operational framework on complementarity and coherence with other climate finance delivery channels. The representative of the GCF secretariat informed the Board that the GCF Board had adopted an operational framework that would ensure complementarity and coherence with other climate finance delivery channels, comprising four pillars: (1) board-level discussions on fund-to-fund arrangements, (2) enhanced complementarity between the funds at the activity level, (3) the promotion of coherence between funds at the national programming level and (4) complementarity at the level of delivery of climate finance through an established dialogue between funds. When the framework was adopted, the expectation had been that the different funds should have some experience in working together before they put in place fund-to-fund arrangements under the first pillar. They would thus have explored what could be done jointly before undertaking any new arrangements or MOUs. The secretariat of the GCF would report to its Board on what activities had been realized, at which time the GCF Board would decide on what arrangements, if any, might be required to advance the issue of complementarity and coherence. While the agenda of the upcoming GCF Board meeting had not yet been finalized, the Board was expected to consider the issue of complementarity and coherence. A standardized MOU was not expected to be developed, as each fund was unique. It was not for the secretariat to say what any MOU might contain or whether a fund-to-fund arrangement would include the possibility of accreditation.

55. At its 31<sup>st</sup> meeting, recalling Adaptation Fund Board decision B.30/43 and taking into consideration the subsequent correspondence between the secretariats of the Board and the GCF, the Board decided to request the Chair and Vice-Chair, assisted by the secretariat, to continue pursuing active engagement with the GCF Board through its Co-Chairs with a view to exploring concrete steps to enhance complementarity and coherence, including at the forty-eighth sessions of the subsidiary bodies. The Board also decided to request the secretariat to continue discussions with the GCF secretariat to advance the collaborative activities identified at the annual dialogue in November 2017 and the technical workshop in February 2018 in order to enhance complementarity between the two funds and to continue the process toward accreditation with the GCF, including by seeking further information from the GCF on options for fund-to-fund arrangements, as described in pillar 1 in the GCF operational framework for complementarity and coherence. Accordingly, the Chair and Vice-Chair of the Fund, supported by the secretariat, held a bilateral meeting with the Co-Chairs of the GCF at the forty-eighth sessions of the subsidiary bodies and discussed possible concrete steps to enhance complementarity and coherence between the two funds. The secretariat has continued discussions with the GCF secretariat to advance the collaborative activities identified at the annual dialogue in November 2017 and the technical workshop in February 2018 and sought further information from the GCF on options for fund-to-fund arrangements, as described in pillar 1 in the GCF operational framework for complementarity and coherence. In the context of the fund-to-fund arrangements, the Board had extensive discussions, including on the option of seeking accreditation as a financial intermediary with the GCF.

56. Further, as part of its engagement with the GCF, the secretariat participated in a number of events organized by the GCF: (1) the Technical Expert Workshop on Climate Adaptation Finance, held on 5 and 6 March 2018 in Songdo, to collect expert views on climate adaptation practices and approaches to adaptation finance, with the relevant

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<sup>29</sup> Decision 2/CMP.13, paragraph 6.

implications and recommendations from the workshop to be used as inputs for the GCF secretariat's proposal for guidance on the approach and scope for providing support to adaptation activities; (2) the first GCF Structured Dialogue with Latin America, held from 5 to 7 March 2018 in Bogotá, the objective of which was to develop a road map for articulating regional priorities and opportunities in engagement with the GCF; and (3) the GCF Empowering Direct Access Workshop, held from 29 May to 1 June 2018 in Songdo, aimed at addressing the capacity needs and challenges of direct access entities and helping them develop their pipeline projects.

#### *Financing for regional projects*

57. At its 25<sup>th</sup> meeting in April 2015, the Board approved a Pilot Programme for Regional Projects and Programmes up to a cap of USD 30.0 million.<sup>30</sup> The overall goal of the pilot programme was to pilot different regional approaches to implementing concrete climate change adaptation projects in vulnerable developing countries, and to compile the lessons learned. Such lessons learned would inform the Board's future decisions on whether to make such a modality a more regular part of the Fund operations. The pilot programme was to be outside the consideration of the 50 per cent cap on MIEs instituted by the Board at its 12<sup>th</sup> meeting<sup>31</sup> and the USD 10.0 million country cap put in place by the Board at its 13<sup>th</sup> meeting.<sup>32, 33</sup>

58. The call for regional proposals was launched on 5 May 2015. The interest in the programme has remained high, with proposals amounting to USD 188.0 million submitted to the two Board meetings during the first year and to USD 101.6 million during the reporting period. At its 28<sup>th</sup> meeting, the Board discussed the future of the pilot programme, on the basis of a proposal developed by the secretariat and following discussion by the PPRC. The Board decided that funding for regional projects and programmes will be provided beyond the pilot programme, hence opening a permanent funding window under the Fund with a funding envelope to be approved on an annual basis,<sup>34</sup> starting with USD 30.0 million set aside during fiscal year 2018 (1 July 2017 to 30 June 2018).<sup>35</sup> The Board, at its 31<sup>st</sup> meeting, decided to include in its work programme for fiscal year 2019 (1 July 2018 to 30 June 2019) provision of an amount of USD 60.0 million for the funding of regional project and programme proposals as follows: (1) up to USD 59.0 million to be used for funding regional project and programme proposals in the two categories of regional projects and programmes: those requesting up to USD 14.0 million, and those requesting up to USD 5.0 million; and (2) up to USD 1.0 million for funding project formulation grant requests for preparing regional project and programme concepts or fully developed project and programme documents.

#### *Readiness Programme for Climate Finance*

59. During the reporting period, the Board approved the updated operational policies and guidelines of the Fund, which include procedures related to enabling the transition of the Readiness Programme into a longer-term and permanent feature of the Fund.<sup>36</sup> The Board also approved an updated results framework for the Readiness Programme so that the programme could be aligned with the Fund's strategic results framework, knowledge management strategy, evaluation framework, and performance monitoring and reporting system.<sup>37</sup> The readiness activities are fully incorporated in the medium-term strategy and its implementation plan, as described in paragraph 35 above.

60. Over the reporting period, the following activities were carried out:

<sup>30</sup> Adaptation Fund Board decision B.25/28.

<sup>31</sup> Adaptation Fund Board decision B.12/9.

<sup>32</sup> Adaptation Fund Board decision B.13/23.

<sup>33</sup> Adaptation Fund Board document AFB/B.25/6/Rev.2.

<sup>34</sup> Adaptation Fund Board decision B.28/1.

<sup>35</sup> Adaptation Fund Board decision B.29/4.

<sup>36</sup> Adaptation Fund Board decision B.2309/4244.

<sup>37</sup> Adaptation Fund Board decision B.30/45.

- (a) The fourth NIE seminar (26–28 July 2017, Puntarenas Province, Costa Rica);<sup>38</sup>
- (b) A regional climate finance readiness workshop for the Caribbean (24 and 25 October 2017, Wildey, Barbados) in partnership with the Caribbean Development Bank;<sup>39</sup>
- (c) Two climate finance webinars: the fifth on 7 December 2017 with the topic “Critical paths in the evaluation of adaptation projects and programmes”, and the sixth on 19 April 2018 with the topic “Mainstreaming of environmental, social and gender issues in adaptation projects and programmes”;<sup>40</sup>
- (d) Financing the piloting of an online platform for the Fund’s NIE community of practice in partnership with the World Resources Institute in order to support NIE capacity-building through more regular and enhanced dialogue and exchange;
- (e) The approval of three South–South cooperation grants to support developing countries in identifying suitable national institutions as NIE candidates and in preparing and submitting an application for accreditation, in Côte d’Ivoire implemented by the NIE for Senegal, Centre de Suivi Ecologique, and in Dominica and the Maldives implemented by the NIE for Antigua and Barbuda, the Department of Environment;<sup>41</sup>
- (f) The approval of a technical assistance grant to support the NIE for Morocco, Agence pour le Développement Agricole, in strengthening its capability to address and manage environmental and social risks and gender considerations in adaptation projects and programmes and at the institutional level;<sup>42</sup>
- (g) A workshop with the theme of the readiness support package to further enhance understanding of the challenges and gaps developing countries face in accessing the Fund’s resources and to enhance the capacity of accredited NIEs of the Fund to provide peer support and address such issues through the Fund’s South–South cooperation grant mechanism. The workshop was held in partnership with the NIE for Kenya, the National Environment Management Authority, from 4 to 6 April 2018 in Nairobi, Kenya.<sup>43</sup>

#### *Overall evaluation of the Adaptation Fund*

61. During the reporting period, phase II of the overall evaluation of the Fund (assessment of the Fund’s portfolio of projects and programmes) was implemented and finalized.<sup>44</sup> The evaluation report concluded that the Fund remains relevant to the global climate finance architecture through its various activities and that it specifically adds value to the global climate finance architecture in three aspects: focusing exclusively on adaptation, supporting concrete activities and implementing direct access. The report also highlighted that the portfolio’s alignment with other climate funds and global commitments on climate finance and international development provides a strong basis for potential collaboration and coordination. It further concludes that the Fund is making progress in all seven outcome areas of its strategic results framework and that its projects contribute to strengthening resilience at national and/or local levels.

62. During the reporting period, the Board approved the re-establishment of a long-term evaluation function for the Fund to ensure the independent implementation of the Fund’s evaluation framework, through the AF-TERG, comprising an independent group of experts in evaluation who are all functionally independent of the secretariat and accountable to the Board.<sup>45</sup> A small AF-TERG secretariat, comprising one full-time dedicated staff position (Evaluation Officer) supported by a part-time consultant and secretariat administrative staff,

<sup>38</sup> Available at <https://www.adaptation-fund.org/readiness/news-seminars/>.

<sup>39</sup> As footnote 38 above.

<sup>40</sup> As footnote 38 above.

<sup>41</sup> Decisions B.30-31/10 through B.30-31/12.

<sup>42</sup> Decision B.30-31/9.

<sup>43</sup> As footnote 38 above.

<sup>44</sup> The final report of the overall evaluation of the Fund is available at [http://www.adaptation-fund.org/wp-content/uploads/2018/06/AF\\_Phase2\\_Eval\\_4June.pdf](http://www.adaptation-fund.org/wp-content/uploads/2018/06/AF_Phase2_Eval_4June.pdf).

<sup>45</sup> Adaptation Fund Board decision B.30/38.

as needed, will provide support to the AF-TERG. The recruitment of members of the AF-TERG and its secretariat staff is under way.

### *Communications*

63. The Board increased its efforts to disseminate information on the Fund's work during the reporting period, including 21 news releases and two project stories, which were published in multiple languages, as well as three electronic newsletters and a comprehensive high-profile article written for an external website.

64. The reporting period marked the 10th anniversary of the launch of the Fund's work and the establishment of the Board at CMP 3 in Bali, Indonesia. For the occasion, the Board issued a 10th anniversary publication that highlighted, through 56 stories, in web and print versions, the Fund's projects, programmes, partners and achievements. The 10th anniversary event, hosted together with the City of Bonn, took place in the Old Town Hall of Bonn, with the Chair of the Board moderating and the Vice-Chair delivering a keynote address. Distinguished speakers joined the 10th event, including the Mayor of Bonn, Mr. Ashok Sridharan, the German Federal Minister for the Environment, Ms. Barbara Hendricks, the CEO and Chairperson of the GEF, Ms. Naoko Ishii, the Deputy Permanent Representative of Belize to the United Nations, Ms. Janine Felson, Coordinator of the Centre de Suivi Ecologique (the NIE for Senegal), Mr. Déthié Soumaré Ndiaye, and a representative of the UNFCCC secretariat. The event featured a multimedia exhibit on the Fund's work. A web page was created for the anniversary; it received nearly 6,000 views and helped raise awareness of the Fund's work and value, while sharing inspirational quotes from climate change leaders and Fund partners.

65. An important theme in communications by the Board during the reporting period was the medium-term strategy, which was adopted in October 2017. The strategy and its key pillars and cross-cutting themes were promoted through videos, project stories, brochures, posters and news releases.

66. More than 280 media stories about the Fund appeared in the press around the world, with large numbers published in the United States of America and in Germany. Most of the stories were in English (258); German (9) and French (7) stories appeared as well. About 72 media stories came out in November 2017 alone, coinciding with COP 23 and the Fund's 10<sup>th</sup> anniversary event, with 97 per cent of the stories being positive or neutral. Regarding social media, over the reporting period, the secretariat put out 430 tweets, and received 1,895 new Twitter followers and 27,526 mentions or profile visits (an increase of more than 4,500 from the previous year). Engagement increased on other channels too, with 367 Facebook posts, 91 LinkedIn posts and 10 new Flickr photo albums. Eight new videos were created, covering the Fund's work and 10th anniversary themes, and received 814 direct views and countless more through social media shares and exhibit views. For online communication, web pages were created for the Fund's COP 23 activities, goals and results, the forty-eighth sessions of the subsidiary bodies<sup>46</sup> and the Adaptation Futures 2018 conference.<sup>47</sup> The Fund's active web presence led to a 19 per cent increase in unique visitors to its website and 23 per cent more page views compared with the previous reporting period.

67. New brochures on the Fund's portfolio and themes such as direct access, support for SIDS, gender, environmental and social policies, and urban adaptation were created. Briefing notes, posters and commemorative 10th anniversary materials were created and disseminated. Engagement with implementing entities and other partners and stakeholders was enhanced to promote the Fund's work.

68. Multimedia exhibits to showcase projects were organized at the United Nations Day in Bonn on 14 October 2017, COP 23, the 10th anniversary event and the Adaptation Futures 2018 conference. Numerous high-profile side events were held, with featured speakers from NIEs, civil society organizations and Parties, at COP 23, the forty-eighth sessions of the subsidiary bodies and other key climate conferences. The Board held its first

<sup>46</sup> Available at <https://www.adaptation-fund.org/cop23/>.

<sup>47</sup> Available at <https://www.adaptation-fund.org/adaptation-fund-at-adaptation-futures-2018/>.

press conference at COP 23, on its SIDS portfolio. The Board also organized, in partnership with the Institut de la Francophonie pour le développement durable, a French-language side event for francophone countries on the topic of regional adaptation projects in the margins of COP 23 on 7 November 2017 at the Francophonie pavilion.

*Participation in meetings and events*

69. Board members and the secretariat participated in a number of events to showcase the Fund's experience, which included field visits to project sites in Cambodia, Colombia and South Africa. In addition to the Board meetings, Accreditation Panel meetings and readiness-related events (as described in paras. 59 and 60 above) organized by the Board and the secretariat, the secretariat and the Board participated in:

- (a) 2017 forum of the Standing Committee on Finance, "Mobilizing finance for climate-resilient infrastructure", organized by the UNFCCC secretariat (6 and 7 September 2017, Rabat, Morocco);
- (b) Climate Chance Summit 2017 (local climate actors) (11–13 September 2017, Agadir, Morocco);
- (c) Climate Week NYC 2017 (18–24 September 2017, New York, United States);
- (d) United Nations Day (14 October 2017, Bonn);
- (e) Pre-COP 23 partnership days (16 and 17 October 2017, Nadi, Fiji);
- (f) Expert seminar hosted by the United Nations Special Rapporteur on human rights and the environment and the Office of the United Nations High Commissioner for Human Rights, "Best practices, lessons learned and the way forward with regard to human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment" (17 and 18 October 2017, Geneva, Switzerland);
- (g) COP 23 and CMP 13;
- (h) National adviser training session hosted by the Climate Finance Access Hub of the Commonwealth Secretariat (21 and 22 February 2018, Port Louis, Mauritius);
- (i) "CitiesIPCC", the Cities and Climate Change Science Conference (5–7 March 2018, Edmonton, Canada);
- (j) First GCF Structured Dialogue with Latin America (5–7 March 2018, Bogotá);
- (k) 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> meetings of the GCF Board;
- (l) 13<sup>th</sup> meeting of the Adaptation Committee (27 February to 1 March 2018, Bonn);
- (m) Interactive workshop with climate funds, "Climate financing for SIDS and LDCs: challenges and opportunities" (19 March 2018, Permanent Mission of Belgium to the United Nations, New York);
- (n) SBI 48.1, SBSTA 48.1 and APA 1.5;
- (o) Nordic workshop, "Climate change adaptation and loss and damage after Paris: bridging different levels of governance" (13–15 May 2018, Dragsholm, Denmark);
- (p) Adaptation Futures 2018 conference (18–22 June 2018, Cape Town, South Africa);
- (q) ICLEI World Congress 2018 (19–22 June 2018, Montreal, Canada);
- (r) Sixth GEF Assembly and associated meetings (23–29 June 2018, Da Nang, Viet Nam).

*Dialogue with civil society organizations*

70. The Board, at its 12<sup>th</sup> meeting, initiated regular dialogue sessions with civil society organizations in order to listen to their proposals, to receive feedback on the issues



comprising the Board agenda and to exchange views. These sessions are part of the Board's agenda.

#### **IV. Support provided to the Adaptation Fund Board for the implementation of its mandate**

71. CMP 5 encouraged Annex I Parties and international organizations to provide funding to the Fund, which will be additional to the shares of the proceeds from clean development mechanism project activities.<sup>48</sup> CMP 7 continued to encourage the provision of funding by Annex I Parties and international organizations.<sup>49</sup>

72. At its 22<sup>nd</sup> meeting, the Board approved a fundraising strategy, at its 28<sup>th</sup> meeting, a revised resource mobilization strategy, and at its 29<sup>th</sup> meeting, a resource mobilization action plan. The Board held a session of the dialogue with donors on the margins of COP 23 and CMP 13. Another session is scheduled to take place on the margins of COP 24 and CMP 14 (December 2018).

73. Having successfully met and surpassed its initial fundraising target of USD 100.0 million for the period from 16 March 2012 to 31 December 2013 through contributions from Annex I Parties and their regions, the Board set a second resource mobilization target of USD 80.0 million per year for the biennium 1 January 2014 to 31 December 2015. The contributions to this target from Annex I Parties and their regions amounted to USD 64.4 million for 2014 and USD 74.1 million for 2015. At its 27<sup>th</sup> meeting, in March 2016, the Board set a third resource mobilization target of USD 80.0 million per year for the biennium 1 January 2016 to 31 December 2017. In 2016, the contributions to the target for that year from Annex I Parties and their regions amounted to USD 81.4 million.

74. During the reporting period, in 2017, the Fund received a record amount of USD 95.6 million in contributions, surpassing the target for 2017, from the Governments of the Brussels-Capital Region of Belgium (USD 0.7 million), Germany (USD 59.3 million), first-time contributor to the Fund, Ireland (USD 0.4 million), Italy (USD 8.6 million), Sweden (USD 22.1 million) and the Walloon Region of Belgium (USD 4.6 million). The Board would like to express its gratitude to all these governments for their support of the Fund in meeting its 2017 resource mobilization target. The Board also recognizes the support of the Fijian Presidency of COP 23 in its resource mobilization efforts, the Fund secretariat, the trustee and the UNFCCC secretariat. A full list of the contributors to the Fund and amounts is contained in annex VIII, section "CER Sales Proceeds and Donations".

75. The resource mobilization efforts of the Board were implemented with the support of the resource mobilization task force, which was composed of Ms. Bilgischer, Ms. Dampney, Mr. Di Pietro Paolo, Mr. Martin, Mr. Navarra, Mr. Ter-Zakaryan and Ms. Zetterström-Goldmann.

76. The Fund introduced, in 2012, an opportunity for the private sector and individuals to make donations to the Fund through an online channel established in collaboration with the United Nations Foundation. During the reporting period, the Fund's web page featuring the donation possibility was revised, and that possibility was promoted periodically through social media alongside the Fund's resource mobilization goals and results.

77. At its 31<sup>st</sup> meeting, after hearing a report on the outcome of a meeting of the resource mobilization task force held on the margins of that Board meeting, and a recommendation contained in the report, the Board decided to set a new resource mobilization target of USD 90.0 million for the biennium 1 January 2018 to 31 December 2019.<sup>50</sup> The task force had discussed the possibility of mobilizing additional funding around special themes or topics, such as the innovation pillar of the Fund's medium-term strategy. It had reviewed ongoing resource mobilization activities, including outreach to subnational entities, where the ICLEI – Local Governments for Sustainability network had been

<sup>48</sup> Decision 4/CMP.5, paragraph 9.

<sup>49</sup> Decision 6/CMP.7, paragraph 5.

<sup>50</sup> Adaptation Fund Board decision B.31/31.

actively promoting donations to the Fund through a private donation link on their website in advance of the Resilient Cities congress (24–26 April 2018 in Bonn); renewal of the framework agreement with the United Nations Foundation for an additional two years to facilitate the online donation possibility; and outreach to new contributors.

78. In accordance with decision 1/CMP.3, paragraph 18, the dedicated team of officials at the Fund secretariat is comprised of 9 professional staff members; namely, the secretariat's Manager, two Senior Climate Change Specialists, two Operations Officers (Accreditation; Readiness Coordinator), a Communications Officer, a Knowledge Management Officer and two Operations Analysts (Legal and Accreditation; Results-based Management). It also has an Operations Associate, a Senior Programme Assistant and three short-term consultants (communications and operations support). As at the time of this report, the Operations Associate position was being converted to a Financial Analyst position, and recruitment for a new position of Evaluation Officer was about to start.

## V. The Adaptation Fund and the Paris Agreement<sup>51</sup>

79. By decision 1/CP.21 on adoption of the Paris Agreement, the COP recognized that the Fund may serve the Paris Agreement, subject to relevant decisions by the CMP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).<sup>52</sup> The COP invited the CMP to consider this issue and make a recommendation at CMA 1.<sup>53</sup> CMP 11 started the process by recommending that CMA 1 consider that the Fund may serve the Paris Agreement. The CMP further invited COP 22 to request the APA to undertake the necessary preparatory work concerning the issue and to forward a recommendation to the CMP for its consideration and adoption no later than at CMP 15 (November 2019).<sup>54</sup> These provisions established a road map for the consideration of making of the Fund one of the institutions serving the Paris Agreement.

80. CMA 1 decided that the Fund should serve the Paris Agreement, following and consistent with decisions to be taken at CMA 1.3, to be convened in conjunction with COP 24, and by the CMP that address the governance and institutional arrangements, safeguards and operating modality of the Fund.<sup>55</sup>

81. COP 22 requested the APA, in its consideration of the necessary preparatory work on the Fund, to address the governance and institutional arrangements, safeguards and operating modalities for the Fund to serve the Paris Agreement, and invited Parties to submit, by 31 March 2017, their views on the governance and institutional arrangements, safeguards and operating modalities for the Fund to serve the Paris Agreement.<sup>56</sup>

82. By decision 1/CMP.13, the CMP decided that the Adaptation Fund shall serve the Paris Agreement subject to and consistent with decisions to be taken at CMA 1.3, in line with decision 1/CMA.1, paragraph 11.<sup>57</sup> By the same decision, the CMP decided that it will consider whether the Adaptation Fund shall serve the Paris Agreement exclusively, under the guidance of and accountable to the CMA, following a recommendation from the CMA on this matter to CMP 15.<sup>58</sup>

83. The Board, at its 31<sup>st</sup> meeting, considered this matter under its agenda item 11, which covered issues arising from COP 23, CMP 13 and CMA 1. The Board took note of the matter but did not make any decisions pursuant to it.<sup>59</sup>

<sup>51</sup> Information on the added value of the Fund for the operationalization of the Paris Agreement is contained in annex I.

<sup>52</sup> Decision 1/CP.21, paragraph 59.

<sup>53</sup> Decision 1/CP.21, paragraph 60.

<sup>54</sup> Decision 1/CMP.11, paragraphs 8 and 9.

<sup>55</sup> Decision 1/CMA.1, paragraph 11.

<sup>56</sup> Decision 1/CP.22, paragraphs 14 and 15.

<sup>57</sup> Decision 1/CMP.13, paragraph 12.

<sup>58</sup> Decision 1/CMP.13, paragraph 13.

<sup>59</sup> See Adaptation Fund Board document AFB/B.31/8, paragraphs 84 and 85.

## Annex I

### **Added value of the Adaptation Fund for the operationalization of the Paris Agreement: information relevant to the process outlined in decision 1/CP.21, paragraphs 59 and 60, decision 1/CP.22, paragraph 14, decision 1/CMA.1, paragraph 11, decision 1/CMP.11, paragraph 9, and decision 1/CMP.13, paragraphs 12 and 13**

[English only]

1. When adopting the Paris Agreement at its twenty-first session, the Conference of the Parties (COP) recognized that the Adaptation Fund (hereinafter referred to as the Fund) may serve the Paris Agreement, subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).<sup>1</sup> It invited the CMP to consider the issue and make a recommendation to CMA 1.<sup>2</sup> This mandate established a road map for Parties to consider making the Fund one of the institutions serving the Paris Agreement.

2. The relevant and necessary process started already in Paris at COP 21/CMP 11, and steady progress in fulfilling the mandate has been made by Parties (see the box below for details). Herein, the Adaptation Fund Board (hereinafter referred to as the Board) presents updated information on the added value of the Fund for the operationalization of the Paris Agreement, which the CMP may wish to consider forwarding to the COP in order to inform the deliberations of the Ad Hoc Working Group on the Paris Agreement (APA) on this matter, as per decision 1/CMP.11, paragraph 9, decision 2/CMP.12, paragraph 14, and decision 1/CMP.13, paragraph 14.

#### **How can the Adaptation Fund advance the operationalization of the different components of the Paris Agreement? What value may the Adaptation Fund add to the Paris Agreement?**

3. The Paris Agreement, in its Article 2, includes adaptation and finance as key components of the global response to climate change, alongside mitigation. It also emphasizes in its Article 7 that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems. These components are supported by capacity-building, as per Article 11 of the Paris Agreement. The Fund, as a fully operational financial mechanism for concrete adaptation projects and programmes that also offers targeted readiness support for developing countries' national entities to access climate change adaptation finance, can contribute to advancing the operationalization of the Paris Agreement. The Fund is already contributing to closing the adaptation gap by funding its portfolio. The information below elaborates on the added value of the Fund for the operationalization of the Paris Agreement and for contributing to the objective of the Paris Agreement, as outlined in Article 2 and relevant Articles on adaptation, finance and capacity-building.

##### *Adaptation*

4. The Paris Agreement recognizes adaptation as a global challenge and established a global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change.<sup>3</sup> It also recognizes the importance of support and

<sup>1</sup> Decision 1/CP.21, paragraph 59.

<sup>2</sup> Decision 1/CP.21, paragraph 60.

<sup>3</sup> Article 7 of the Paris Agreement.

taking into account the needs of developing countries.<sup>4</sup> The Paris Agreement established a global stocktake process to assess the collective progress made towards achieving the purpose of the Paris Agreement, including adaptation and finance (means of implementation).<sup>5</sup>

5. During 2015 and 2016, a total of 165 intended nationally determined contributions (INDCs) were submitted to the UNFCCC secretariat, 137 of which included an adaptation component, highlighting Parties' common determination to strengthen national adaptation efforts in the context of the Paris Agreement. Some Parties stressed that adaptation is their main priority for addressing climate change, in particular as they see it as strongly linked to national development, sustainability and security. Many Parties underlined the need for international finance, technology transfer and capacity-building support for adaptation, in line with the Convention. The INDC of each Party that ratifies the Paris Agreement will be considered a nationally determined contribution (NDC) upon ratification, unless the Party notifies the secretariat otherwise.<sup>6</sup> As at 1 October 2017, the NDC registry indicated that the NDCs of 108 Parties contained adaptation-related information, including the countries' adaptation efforts and their policies' link to adaptation with sustainable development, adaptation-related national laws, policies and development frameworks, a description of the national institutional arrangements relevant to adaptation, and information related to costs of adaptation and adaptation needs.<sup>7</sup>

6. The Fund is a fully operational financial mechanism dedicated to supporting concrete and tangible interventions to address climate change adaptation and to build resilience. It has allocated USD 476.0 million to 73 concrete adaptation projects and programmes in 59 countries, including 13 small island developing States (SIDS) and 18 least developed countries (LDCs). The portfolio of the Fund benefits 5.6 million direct beneficiaries in the most vulnerable communities in developing countries. It covers most sectors related to adaptation, namely, coastal zone management, sustainable agriculture, water management, urban and rural development, and disaster risk reduction. The projects and programmes funded are of a value up to USD 10.0 million,<sup>8</sup> which is replicable and scalable with funding from other sources. Eight projects and programmes funded by the Fund in Georgia, Honduras, Maldives, Nicaragua, Pakistan, Senegal, Solomon Islands and Turkmenistan have already achieved completion, and 30 have completed their midterm evaluation.

7. The Fund provides country-driven access to its resources through its direct access modality, which also contributes to building in-country institutional capacity for the overall management of projects and programmes during the process. Direct access represents 34 per cent of the Fund portfolio. Nineteen national implementing entities (NIEs) are currently implementing a total of 25 projects funded by the Fund, and one has completed its first project (Centre de Suivi Ecologique, Senegal).

8. The Fund's project review cycle is swift and can be completed in nine weeks. It has been lauded by the second phase of the overall evaluation of the Fund as efficient.<sup>9</sup> The Fund has all its policies and procedures in place, including operational policies and guidelines for Parties to access its funding, a zero-tolerance policy on fraud and corruption, a risk management framework, an environmental and social policy, a gender policy and action plan, and a number of guidance documents to facilitate compliance with the policies mentioned above. All these documents are available at the Fund's website.<sup>10</sup>

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<sup>4</sup> Article 7 of the Paris Agreement.

<sup>5</sup> Article 14, paragraph 1, of the Paris Agreement.

<sup>6</sup> Decision 1/CP.21, paragraph 22.

<sup>7</sup> See document FCCC/CP/2016/2, paragraphs 59–74, and document FCCP/TP/2017/7, paragraphs 6, 7, 12 and 21–42.

<sup>8</sup> Regional projects up to USD 14 million.

<sup>9</sup> The final report of the overall evaluation of the Fund is available at <https://www.adaptation-fund.org/document/independent-evaluation-adaptation-fund-second-phase-evaluation-report-final-edited-version/>.

<sup>10</sup> <https://www.adaptation-fund.org/documents-publications/>.

9. The Board decided to carry out an overall evaluation of the Fund in two phases. The first phase was completed in 2015. It highlighted that the modality that the Fund pioneered for more than six years (the direct access modality) was a major innovation in climate finance and is appropriate for meeting country needs, and that such a modality can be a highly relevant, effective and efficient means of challenging adaptation finance. Second, the evaluation outlined that the Fund's design and operational processes are efficient and largely coherent with UNFCCC guidance and national adaptation priorities, and that the evolution of its operational processes has been appropriate, demonstrating its commitment to the continuous improvement of its operations. Third, the evaluation found that the Fund allowed countries to advance important measures at national and subnational levels, with links to national policymaking. In addition, the evaluation found that the policies adopted by the Fund created a solid foundation for operational success. In terms of accreditation, the evaluation concluded that the Fund has developed thorough and reasonable accreditation requirements and that it continues to improve its processes. For the project/programme review cycle, a conclusion was that the Board secretariat and the Project and Programme Review Committee had developed an efficient project/programme proposal review process. Finally, the Fund resource allocation process was assessed as efficient.

10. The second phase of the overall evaluation was completed in June 2018. The evaluation report concluded that the Fund remains relevant to the global climate finance architecture through its various activities and that it specifically adds value to the global climate finance architecture in three aspects: focusing exclusively on adaptation, supporting concrete activities and implementing direct access. The evaluation report also highlights that the portfolio's alignment with other climate funds and global commitments on climate finance and international development provides a strong basis for potential collaboration and coordination. It further concludes that the Fund is making progress in all seven outcome areas of its strategic results framework and that its projects contribute to strengthening resilience at the national and local level.<sup>11</sup>

11. Since the Fund became operational, it has been crucial for the Board to consider the environmental and social aspects of the funded projects. The strategic priorities, policies and guidelines of the Fund, adopted by the CMP in 2008 through decision 1/CMP.4, state that in assessing project and programme proposals, the Board shall give particular attention to, inter alia, economic, social and environmental benefits from the projects, and meeting national technical standards, where applicable.<sup>12</sup> Accordingly, the requirement to consider environmental and social aspects was incorporated in the accreditation<sup>13</sup> and project review<sup>14</sup> processes. In 2013, the Board further enhanced the management of environmental and social risks by adopting a forward-thinking and strong environmental and social policy (ESP),<sup>15</sup> which requires project proponents to screen their project concepts against 15 environmental and social principles which include promoting human rights and gender equality, protecting natural habitats, preserving biodiversity, empowering vulnerable groups such as indigenous communities, and preventing pollution. In accordance with the ESP, project proponents are required to conduct relevant assessments of environmental and social impacts, and to prepare corresponding management plans.<sup>16</sup> Since October 2013, the ESP has also been incorporated into the accreditation process of implementing entities, in which applicants have to demonstrate their commitment and capacity to comply with requirements of the policy (e.g. screening of environmental and social risks, developing environmental and social management plans, monitoring, reporting and evaluation), and to

<sup>11</sup> <https://www.adaptation-fund.org/document/independent-evaluation-adaptation-fund-second-phase-evaluation-report-final-edited-version/>.

<sup>12</sup> Decision 1/CMP.4, annex IV, paragraph 15(a) and (b).

<sup>13</sup> See Adaptation Fund Board document AFB/B.7/13/Rev.1, annex III, fiduciary risk management standards to be met by implementing entities.

<sup>14</sup> See Adaptation Fund Board document AFB/B.7/13/Rev.1, annex III, Adaptation Fund project review criteria.

<sup>15</sup> Adaptation Fund Board decision B.22/23.

<sup>16</sup> See [https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016\\_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf](https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf).

have in place a mechanism to address complaints about environmental and social harms.<sup>17</sup> The Board has also developed guidelines for implementing entities to comply with the ESP.<sup>18</sup> Although evidence of the results of the ESP in projects and programmes approved following its launch in 2014 is still limited, the second phase of the overall evaluation of the Fund found that the Fund’s support of implementing entities in systematically applying the ESP is yielding good results, and the majority of the implementing entities that responded to an e-survey conducted for the evaluation agreed or strongly agreed that Fund projects enhanced local and national actors’ capacity to address environment and social safeguards in project implementation.<sup>19</sup> The Fund’s ESP has also been praised by the United Nations Special Rapporteur on human rights and the environment in his letter to the Subsidiary Body for Scientific and Technological Advice as a potential model for strong safeguards to be followed by a sustainable development mechanism called for in the Paris Agreement.<sup>20</sup>

12. While the ESP has, since its inception, included “gender equity and women’s empowerment”<sup>21</sup> as one of the 15 principles according to which all projects must be screened, in 2016, the Board further enhanced its efforts to promote gender-responsive adaptation actions taking into consideration vulnerable groups, communities and ecosystems by adopting the Fund’s gender policy and action plan. The Fund’s gender policy and action plan is aimed at mainstreaming equal access to all Fund projects and programmes by women and men, and building their resilience and capability to adapt to climate change impacts. The gender policy ensures that equal rights, responsibilities and opportunities for women and men, as well as equal consideration of their respective interests, vulnerabilities, needs and priorities, are considered during the project cycle. It also promotes women’s participation and engagement in the decision-making process in planning for adaptation to climate change. Guidelines for compliance with the gender policy<sup>22</sup> are available for use by implementing entities.

13. CMP 13, in its decision on the third review of the Fund, “welcome[d] the implementation of mandatory compliance for implementing entities with the Adaptation Fund’s environmental and social safeguards and gender policy, which enhances the effectiveness of the Adaptation Fund”.<sup>23</sup>

14. Considering all of the above, the Fund is already contributing to the operationalization of the adaptation objectives of the Paris Agreement and to the implementation of the adaptation actions included in developing country NDCs by funding its portfolio of concrete adaptation projects/programmes.

#### *Finance*

15. The provision of scaled-up finance under the Paris Agreement aims to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the LDCs and SIDS.<sup>24</sup> The Paris Agreement also recognizes

<sup>17</sup> See Adaptation Fund Board decisions B.22/23, B.27-28/28 and B.27-28/28, annex, and documents AFB/B.22/5/Add.2 and AFB/B.28/Add.1.

<sup>18</sup> [https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance\\_Revised-in-June-2016\\_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf).

<sup>19</sup> See page 38 of the final report on the overall evaluation of the Fund, available at <https://www.adaptation-fund.org/document/independent-evaluation-adaptation-fund-second-phase-evaluation-report-final-edited-version/>. The evaluation report focused on projects and programmes that were in advanced stages of implementation, and the vast majority of the projects and programmes had been approved before the ESP was rolled out in 2014. This explains why the evaluation found limited evidence of compliance with the ESP in project development and reporting.

<sup>20</sup> [https://www.ohchr.org/Documents/Issues/Environment/Letter\\_to\\_SBSTA\\_UNFCCC\\_May2016.pdf](https://www.ohchr.org/Documents/Issues/Environment/Letter_to_SBSTA_UNFCCC_May2016.pdf).

<sup>21</sup> Principle 5 of the ESP has been changed from “gender equity and women’s empowerment” to “gender equality and women’s empowerment”.

<sup>22</sup> <https://www.adaptation-fund.org/wp-content/uploads/2017/03/GenderGuidance-Documents.pdf>.

<sup>23</sup> Decision 2/CMP.13, paragraph 5.

<sup>24</sup> Article 9, paragraph 4, of the Paris Agreement.

the need for public and grant-based resources for adaptation.<sup>25</sup> In their NDCs, many Parties underlined the need for international finance for adaptation, in line with the Convention.

16. Further, the Paris Agreement assigned to adaptation a share of the proceeds of the sustainable development mechanism that it established.<sup>26</sup> This may be a market mechanism with similarities to the clean development mechanism. The Fund, if it serves the Paris Agreement, may draw resources for sustainable adaptation financing for vulnerable communities in developing countries.<sup>27</sup>

17. The evaluation of the Fund in its first phase concluded that the Fund is closing the adaptation gap by contributing to funding concrete adaptation projects. The Fund has mobilized over USD 700.0 million since its inception and has allocated USD 476.0 million for concrete adaptation and readiness projects/programmes. Sixty per cent of the amount allocated has already been disbursed. The Board has set up a resource mobilization target of USD 90.0 million per year for the biennium 2018–2019. The Fund has a system of tried and tested policies and procedures already in place, and its risk management framework has the potential to review the accreditation status at any time during the accreditation period. The measures recommended may include policy/procedure enhancements, and suspension or cancellation of the accreditation. The Board is supported by a secretariat, a dedicated team of 13 people, including the Manager, officers and consultants, working at the secretariat's headquarters, hosted within the World Bank as part of the Global Environment Facility on an interim basis.

18. The expertise of the Fund has been shared with other climate funds, and its direct access model has proven replication value for other climate financing organizations. The Board of the Green Climate Fund (GCF) decided to fast-track accreditation of implementing entities accredited by the Board. As at 30 June 2018, among the 59 entities accredited by the GCF, 38 entities had been fast-track accredited by the Board of the GCF due to their prior accreditation with the Fund.<sup>28</sup> The Fund is the first climate fund to engage in enhanced direct access. Allowing national institutions to directly access adaptation finance promotes country-owned and country-driven processes, with the strengthening of local institutions in project identification and implementation and in resource mobilization.

19. According to stakeholders interviewed during the first phase of the Fund's overall evaluation, it is well suited to "generating timely lessons about...scalable and replicable action benefiting the most vulnerable communities and social groups".<sup>29</sup> The independent evaluation team elaborated, concluding that the Fund's "design supports pilot activities with substantial potential for scaling up impact at sub-national, national, and regional levels".<sup>30</sup> Such scaling up has already happened, particularly with funding from the GCF: as at June 2018, five projects approved by the GCF had been developed on the results and lessons learned from prior projects funded by the Fund.<sup>31</sup> The Board recognized this

<sup>25</sup> Article 9, paragraph 4, of the Paris Agreement.

<sup>26</sup> Article 6, paragraphs 4 and 6, of the Paris Agreement.

<sup>27</sup> As reflected in the [informal note](#) by the co-facilitators for APA agenda item 8. At APA 1.3, a number of Parties suggested the possibility that a share of proceeds from activities under the mechanism referred to in Article 6, paragraph 4, of the Paris Agreement, for which the negotiations are ongoing, and while not prejudging its outcomes, could be a possible source of funding.

<sup>28</sup> See GCF document GCF/B.20/05.

<sup>29</sup> TANGO International in association with the Overseas Development Institute. 2015. *First Phase Independent Evaluation of the Adaptation Fund*. Washington, D.C.: World Bank. Available at <https://www.adaptation-fund.org/wp-content/uploads/2015/11/TANGO-ODI-Evaluation-of-the-AF-final-report.pdf>.

<sup>30</sup> As footnote 29 above.

<sup>31</sup> FP003 – "Increasing Resilience of Ecosystems and Communities through Restoration of the Productive Bases of Salinized Lands" (CSE, Senegal), building on "Adaptation to Coastal Erosion in Vulnerable Areas" (CSE, Senegal); FP007 – "Support of Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages" (UNDP, Maldives), building on "Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhhdoo Island" (UNDP, Maldives); FP018 – "Scaling-up of Glacial Lake Outburst Flood Risk Reduction in Northern Pakistan" (UNDP, Pakistan), building on "Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan" (UNDP, Pakistan); FP056 – "Scaling Up Climate Resilient Water Management Practices for Vulnerable

specific role of the Fund when developing the medium-term strategy for 2018–2022, which it adopted in October 2017. The medium-term strategy lays out how the Fund will support countries in testing, evaluating, rolling out and scaling up innovative adaptation practices, products and technologies.

20. In addition to contributions by developed countries and subnational governments, the Fund is funded by a share of the proceeds of the clean development mechanism under the Kyoto Protocol. At CMP 8, Parties decided that for the second commitment period of the Kyoto Protocol, the Fund shall be further augmented through a 2 per cent share of the proceeds levied under the joint implementation and emissions trading mechanisms.<sup>32</sup> The Fund has experience and expertise in monetizing carbon assets for funding adaptation and has the systems in place to continue receiving funding from innovative sources for that. The Fund has proven experience in monetizing carbon credits for funding adaptation through systems that are operational. The Fund has raised USD 199.0 million from the sale of certified emission reductions since May 2009.

21. It is evident from the record number of project and programme proposals received from vulnerable developing countries in the period 2015–2018 that the demand for the Fund’s resources is rapidly increasing. In particular, the number of proposals submitted through NIEs and RIEs has reached new levels as an increasing number of those entities have gained momentum in developing project proposals. As at 30 June 2018, the active pipeline of single-country projects and programmes under development by NIEs, RIEs and multilateral implementing entities (projects that were submitted during the latest 12-month period but were either at the concept stage or were at the fully developed project proposal stage but were found to still require further clarification or amendment and therefore have not yet been approved) totalled over USD 100.0 million. Furthermore, the interest in regional projects and programmes remains high, with three projects having been approved and an active pipeline of proposals (as defined above) amounting to over USD 170.0 million. This clearly indicates a demand exceeding the available resources.

22. The Fund is a fully operational mechanism that provides funding for adaptation in developing countries, and the demand for its funding is higher than ever. However, the sustainability and predictability of its financial flows are not secured due to the reliance on voluntary contributions from developed countries. Its experience in monetizing carbon assets can contribute to the operationalization of the sustainable development mechanism of the Paris Agreement.

#### *Capacity-building*

23. Capacity-building under the Paris Agreement should enhance the ability of developing countries to take effective climate change action, including adaptation, and facilitate access to climate finance. Capacity-building should be country driven, should be responsive to national needs and should foster country ownership.<sup>33</sup>

24. The Fund has a successful record of building institutional capacity through the direct access modality. This happens throughout the process, from accreditation to implementation and evaluation of nationally designed projects and programmes, as a number of representatives of applicant entities have acknowledged. The report on phase I of the overall evaluation has recognized the Fund as a learning institution.

25. The Fund also offers capacity-building support for accreditation and project development through its Readiness Programme. The programme supports NIEs in accessing funds for adaptation, including through South–South cooperation, and provides

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Communities in La Mojana” (UNDP, Colombia), building on “Reducing Risk and Vulnerability to Climate Change in the Region of La Depression Momposina in Colombia” (UNDP, Colombia); and FP068 – “Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia” (UNDP, Georgia), building on “Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia” (UNDP, Georgia).

<sup>32</sup> Decision 1/CMP.8, paragraphs 20–22.

<sup>33</sup> Article 11 of the Paris Agreement.



technical assistance grants for environmental and social safeguards and gender considerations.

26. The Readiness Programme has also contributed to establishing a community of practice among NIE practitioners. This community meets annually to address matters of common interest, to exchange knowledge and lessons learned and to share experience. Aside from this NIE gathering, the Fund convenes regional workshops and webinars in partnership with other institutions.

27. Through its direct access modality and Readiness Programme, the Fund contributes to building the capacity of national institutions in developing countries, in line with Article 11 of the Paris Agreement.

28. Moving forward, the process for the Fund to serve the Paris Agreement will contribute to speeding up the operationalization of the Paris Agreement, including its provisions on adaptation, finance, capacity-building and the sustainable development mechanism.

### Steps taken on the road map for the Adaptation Fund to serve the Paris Agreement

1. When adopting the Paris Agreement at its twenty-first session, the Conference of the Parties (COP) recognized that the Adaptation Fund (hereinafter referred to as the Fund) may serve the Paris Agreement, subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).<sup>1</sup> The COP invited the CMP to consider the issue and make a recommendation to CMA 1.<sup>2</sup>
2. CMP 11 invited COP 22 to request the Ad Hoc Working Group on the Paris Agreement (APA) to undertake the necessary preparatory work concerning the issue of the Fund serving the Paris Agreement and to forward a recommendation to the CMP for consideration and adoption no later than at CMP 15.<sup>3</sup>
3. After the set threshold was achieved on 5 October 2016, the Paris Agreement entered into force on 4 November 2016. CMA 1 decided that the Fund *should* serve the Paris Agreement, following and consistent with decisions to be taken at CMA 1.3, to be convened in 2018 in conjunction with COP 24, and by the CMP that address the governance and institutional arrangements, safeguards and operating modality of the Fund.<sup>4</sup> In addition, the COP requested the APA in its consideration of the necessary preparatory work on the Fund to address the governance and institutional arrangements, safeguards and operating modalities for the Fund to serve the Paris Agreement.<sup>5</sup> By the same decision, Parties were invited to submit their views on the aforementioned areas. Considering these decisions, the APA, at APA 1.3, which was held in conjunction with the forty-sixth sessions of the subsidiary bodies, initiated work on addressing the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement.<sup>6</sup>
4. At APA 1.3, Parties identified a list of options and elements in response to the three guiding questions on (1) governance and institutional arrangements to be addressed for the Fund to serve the Paris Agreement, (2) the operating modalities of the Fund and (3) the Fund's safeguards.<sup>7</sup> In addition, upon the request of APA 1.3, a list of all previous decisions that have been taken on the Adaptation Fund that involve governance and institutional arrangements, safeguards and operation modalities has been compiled and made available on the UNFCCC website.<sup>8</sup>
5. At APA 1.4, Parties resumed discussions on the options and elements identified during APA 1.3. Parties identified a number of questions that may need to be decided first, that is, decisions related to guidance, reporting and accountability between the Fund and the governing bodies (CMP and/or CMA). Parties also discussed options for a possible transitional period and CMP and/or CMA decision sequencing and timing.

<sup>1</sup> Decision 1/CP.21, paragraph 59.

<sup>2</sup> Decision 1/CP.21, paragraph 60.

<sup>3</sup> Decision 1/CMP.11, paragraphs 8 and 9.

<sup>4</sup> Decision 1/CMA.1, paragraph 11.

<sup>5</sup> Decision 1/CP.22, paragraph 14.

<sup>6</sup> See document FCCC/APA/2017/2, paragraph 28(a), and the informal note by the co-facilitators for APA agenda item 8, available at <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreement-apa/information-on-apa-agenda-item-8>.

<sup>7</sup> See annex I to the informal note by the co-facilitators for APA agenda item 8 at <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreementapa/information-on-apa-agenda-item-8>.

<sup>8</sup> <http://unfccc.int/bodies/apa/items/10436.php>.

CMP 13 decided that the Fund *shall* serve the Paris Agreement subject to and consistent with decisions to be taken at CMA 1.3, in line with decision 1/CMA.1, paragraph 11.<sup>9</sup> The CMP also decided that it will consider whether the Fund shall serve the Paris Agreement exclusively, under the guidance of and accountable to the CMA, following a recommendation from the CMA on this matter to CMP 15 (November 2019).<sup>10</sup>

6. At APA 1.5, Parties generally welcomed the outcomes from the previous sessions, in particular decision 1/CMP.13, which decided that the Fund shall serve the Paris Agreement subject to and consistent with decisions to be taken at CMA 1.3. Parties reflected on a number of possible legal issues related to the preparatory work for the Fund to serve the Paris Agreement. There was some convergence regarding elements of draft text and the formulations of options, where possible, on a possible decision from the CMA at COP 24 stating that the Fund serves the Paris Agreement as follows:

- (a) Governance and institutional arrangements:
  - (i) Guidance, accountability and reporting;
  - (ii) The Fund serves the Paris Agreement and date of serving the Paris Agreement;
  - (iii) Exclusivity related to the Fund serving the Paris Agreement and/or Kyoto Protocol;
  - (iv) The transitional period during which the Fund will serve and be accountable to both the Paris Agreement and the Kyoto Protocol;
  - (v) Adaptation Fund Board composition and practices;
  - (vi) Arrangements for secretariat and trustee services;
- (b) Operating modalities:
  - (i) The Fund's operating policies and guidelines and funding priorities;
  - (ii) The role of the Fund in the international climate change architecture and linkages with other bodies and institutions;
  - (iii) Eligibility to receive resources from the Fund;
  - (iv) Sources of funding;
- (c) Safeguards: work for the Board and/or other bodies.<sup>11</sup>

Upon the request of Parties, the UNFCCC Legal Affairs Programme provided clarifications on questions relating to decisions for the Fund to serve the Paris Agreement.<sup>12</sup>

7. Before APA 1.6 (September 2018), upon request of the APA, the Co-Chairs of the APA prepared tools that are additional to and based on the informal notes contained in the annex to the APA 1.5 conclusions, including proposals for streamlining the outcome of the APA at APA 1.6.<sup>13</sup>

<sup>9</sup> Decision 1/CMP.13, paragraph 12.

<sup>10</sup> Decision 1/CMP.13, paragraph 13.

<sup>11</sup> FCCC/APA/2018/L.2/Add.1. All inputs from the Parties and the revised final informal note from APA 1.5 are available at <https://unfccc.int/process/bodies/subsidiary-bodies/ad-hoc-working-group-on-the-paris-agreementapa/information-on-apa-agenda-item-8>.

<sup>12</sup> Annex to the informal note from APA 1.5. See at [https://unfccc.int/sites/default/files/resource/APA1\\_5\\_IN\\_i8a\\_AF\\_3.pdf](https://unfccc.int/sites/default/files/resource/APA1_5_IN_i8a_AF_3.pdf).

<sup>13</sup> APA 1.6. Informal.1.Add.6.

## Annex II

## Adaptation Fund Board members and alternate members

[English only]

<i>Term of office<sup>a</sup></i>	<i>Position</i>	<i>Name</i>	<i>Country</i>	<i>Constituency represented</i>
March 2017 to March 2019	Member	Mr. Ibila Djibril	Benin	African States
	Alternate member	Mr. Mohamed Zmerli	Tunisia	
(Elected at CMP 11) <sup>b</sup>	Member	Mr. Albara E. Tawfiq	Saudi Arabia	Asia-Pacific States
	Alternate member	Mr. Ahmed Waheed	Maldives	Asia-Pacific States
	Member	Ms. Monika Antosik	Poland	Eastern European States
	Alternate member	Ms. Umayra Taghiyeva	Azerbaijan	Eastern European States
	Member	Mr. Victor Viñas	Dominican Republic	Latin American and Caribbean States
	Alternate member	Ms. Yadira Gonzales	Cuba	Latin American and Caribbean States
	Member	Mr. Antonio Navarra	Italy	Western European and other States
	Alternate member	Nomination pending		Western European and other States
	Member	Mr. Samuela Vakaloloma Lagataki	Fiji	Small island developing States
	Alternate member	Mr. Paul Elreen Phillip	Grenada	Small island developing States
	Member	Ms. Tove Zetterström- Goldmann	Sweden	Annex I Parties
	Alternate member	Mr. Marc Antoine Martin	France	Annex I Parties
	Member	Ms. Patience Dampsey	Ghana	Non-Annex I Parties
	Alternate member	Ms. Margarita Caso	Mexico	Non-Annex I Parties
March 2018 to March 2020	Member	Mr. David Kaluba	Zambia	African States
	Alternate member	Mr. Admasu Nebebe Gedamu	Ethiopia	African States
(Elected at CMP 1)	Member	Mr. Mirza Shawkat Ali	Bangladesh	Asia-Pacific States
	Alternate member	Mr. Massoud Rezvanian Rahaghi	Iran (Islamic Republic of)	Asia-Pacific States
	Member	Mr. Aram Ter-Zakaryan	Armenia	Eastern European States
	Alternate member	Ms. Ardiana Sokoli	Albania	Eastern European States
	Member	Nomination pending		Latin American and Caribbean States
	Alternate member	Nomination pending		Latin American and Caribbean States
	Member	Ms. Barbara Schäfer	Germany	Western European and

<i>Term of office<sup>a</sup></i>	<i>Position</i>	<i>Name</i>	<i>Country</i>	<i>Constituency represented</i>
				other States
	Alternate member	Ms. Aida Velasco	Spain	Western European and other States
	Member	Mr. Chebet Maikut	Uganda	Least developed countries
	Alternate member	Mr. Naresh Sharma	Nepal	Least developed countries
	Member	Ms. Sylviane Bilgischer	Belgium	Annex I Parties
	Alternate member	Ms. Yuka Greiler (replaced by Mr. Patrick Sieber)	Switzerland	Annex I Parties
	Member	Mr. Charles Mutai	Kenya	Non-Annex I Parties
	Alternate member	Ms. Ding Ding	China	Non-Annex I Parties

*Abbreviation:* CMP = Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

<sup>a</sup> Members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms (see decision 1/CMP.3). At CMP 7, half of the members of the Adaptation Fund Board, and their alternate members from the same group, shall continue to serve in office for one additional and final year. The terms as members do not count towards the terms as alternate members, and terms as alternate members do not count towards the terms as members (see decision 1/CMP.4).

<sup>b</sup> The term of office of a member, or an alternate, shall start at the first meeting of the Board in the calendar year following his or her election and shall end immediately before the first meeting of the Board in the calendar year in which the term ends (see decision 4/CMP.5).

## Annex III

**Approved and actual fiscal year 2018 and approved fiscal year 2019 budget of the Adaptation Fund Board, the secretariat and the trustee**

[English only]

<i>Budget item</i>	<i>Approved fiscal year 2018 (USD)</i>	<i>Actual fiscal year 2018 (USD)</i>	<i>Approved fiscal year 2019 (USD)</i>
<b>Board and secretariat</b>			
1 Personnel	2 691 250	2 457 045	2 924 519
2 Travel	402 000	426 807	422 000
3 General operations	375 000	333 937	333 284
4 Meetings	254 800	187 954	250 800
<b>Subtotal secretariat administrative services (a)</b>	<b>3 723 050</b>	<b>3 405 743</b>	<b>3 930 603</b>
5 Overall evaluation (b)	300 000	212 538	0
6 Accreditation (c)	473 780	412 307	546 040
7 Readiness Programme (d)	604 585	523 463	624 550
<b>Subtotal secretariat (a) + (b) + (c) + (d)</b>	<b>5 101 415</b>	<b>4 554 051</b>	<b>5 101 193</b>
<b>Evaluation function</b>			
1 Personnel			301 272
2 Travel			76 000
3 General operations			–
4 Meetings			5 000
<b>Subtotal evaluation function</b>			<b>382 272</b>
<b>Trustee</b>			
1 Monetization of certified emissions reductions	180 000	180 000	180 000
2 Financial and programme management	225 000	224 700	225 000
3 Investment management	115 000	131 000	131 250
4 Accounting and reporting	48 000	30 000	30 000
5 Legal services	20 000	15 000	20 000
6 External audit	–	–	–
<b>Subtotal trustee</b>	<b>588 000</b>	<b>580 700</b>	<b>586 250</b>
<b>Grand total all components</b>	<b>5 689 415</b>	<b>5 134 751</b>	<b>6 069 715</b>

## Annex IV

### Accredited implementing entities<sup>1</sup>

[English only]

#### A. National implementing entities

Agencia de Cooperación Internacional de Chile (Chile)  
 Agencia Nacional de Investigación e Innovación (Uruguay)  
 Agency for Agricultural Development (Morocco)  
 Banque Agricole du Niger (Niger)  
 Bhutan Trust Fund for Environmental Conservation (Bhutan)  
 Centre de Suivi Ecologique (Senegal)  
 Department of Environment (Antigua and Barbuda)  
 Desert Research Foundation of Namibia (Namibia)  
 Dominican Institute of Integral Development (Dominican Republic)  
 Environmental Project Implementation Unit (Armenia)  
 Fundación NATURA (Panama)  
 Fundecooperación para el Desarrollo Sostenible (Costa Rica)  
 Mexican Institute of Water Technology (Mexico)  
 Micronesia Conservation Trust (Federated States of Micronesia)  
 Ministry of Finance and Economic Development (Ethiopia)  
 Ministry of Finance and Economic Management (Cook Islands)  
 Ministry of Natural Resources (Rwanda)  
 Ministry of Planning and International Cooperation (Jordan)  
 National Bank for Agriculture and Rural Development (India)  
 National Environment Management Council (Tanzania)  
 National Environment Fund (Benin)  
 National Environment Management Authority (Kenya)  
 Partnership for Governance Reform in Indonesia (Indonesia)  
 Peruvian Trust Fund for National Parks and Protected Areas (Peru)  
 Planning Institute of Jamaica (Jamaica)  
 Protected Areas Conservation Trust (Belize)  
 South African National Biodiversity Institute (South Africa)  
 Unidad para el Cambio Rural (Argentina)

#### B. Multilateral implementing entities

African Development Bank  
 Asian Development Bank  
 European Bank for Reconstruction and Development  
 Inter-American Development Bank  
 International Bank for Reconstruction and Development  
 International Fund for Agricultural Development  
 United Nations Development Programme  
 United Nations Education, Scientific, and Cultural Organization  
 United Nations Environment Programme  
 United Nations Human Settlements Programme  
 United Nations World Food Programme  
 World Meteorological Organization

#### C. Regional implementing entities

Caribbean Development Bank (Latin American and the Caribbean)  
 Central American Bank for Economic Integration (Latin America and the Caribbean)

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<sup>1</sup> Presented in alphabetical order.

Corporación Andina de Fomento (Latin America and the Caribbean)  
Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (North, West and East Africa)  
Secretariat of the Pacific Regional Environment Programme (Pacific)  
West African Development Bank (West Africa)



## Annex V

### Project-related funding decisions by the Adaptation Fund Board between 1 July 2017 and 30 June 2018

[English only]

Table 1

#### Project-related funding decisions made during the intersessional period between the 29<sup>th</sup> and 30<sup>th</sup> meetings of the Adaptation Fund Board

(United States dollars)

<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>NIE</i>	<i>RIE</i>	<i>MIE</i>	<i>Approved amount</i>	<i>Decision</i>
1. Projects and programmes: single-country								
Senegal	CSE	AFB/PPRC.20-21/2	1 351 000	1 351 000			1 351 000	Approved
Guinea-Bissau	BOAD	AFB/PPRC.20-21/3	9 979 000		9 979 000			Not approved
<b>Subtotal</b>			<b>11 330 000</b>	<b>1 351 000</b>	<b>9 979 000</b>	<b>0</b>	<b>1 351 000</b>	
2. Projects and programmes: regional								
Burundi, Kenya, Rwanda, Uganda, United Republic of Tanzania	UNEP	AFB/PPRC.20-21/5	5 000 000			5 000 000	5 000 000	Approved
Colombia, Ecuador	WFP	AFB/PPRC.20-21/6	14 000 000			14 000 000	14 000 000	Approved
<b>Subtotal</b>			<b>19 000 000</b>		<b>0</b>	<b>19 000 000</b>	<b>19 000 000</b>	
3. Project formulation grants: regional concepts								
Benin, Burkina Faso, Niger	OSS	AFB/PPRC.20-21/4/Add.1	80 000			80 000	80 000	Approved
<b>Subtotal</b>			<b>80 000</b>		<b>0</b>	<b>80 000</b>	<b>80 000</b>	

Country/title	Implementing entity	Document reference <sup>a</sup>	Requested amount	NIE	RIE	MIE	Approved amount	Decision
4. Concepts: regional								
Benin, Burkina Faso, Niger	OSS	AFB/PPRC.20-21/4	8 550 000			8 550 000		Endorsed
<b>Subtotal</b>			<b>8 550 000</b>		<b>0</b>	<b>8 550 000</b>		
<b>5. Total (5 = 1 + 2 + 3 + 4)</b>			<b>38 960 000</b>	<b>1 351 000</b>	<b>9 979 000</b>	<b>27 630 000</b>	<b>20 431 000</b>	

*Abbreviations:* BOAD = West African Development Bank, CSE = Centre de Suivi Ecologique, MIE = multilateral implementing entity, NIE = national implementing entity, OSS = Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory, RIE = regional implementing entity, UNEP = United Nations Environment Programme, WFP = World Food Programme.

<sup>a</sup> Adaptation Fund Board documents are available at <https://www.adaptation-fund.org/documents-publications/>.

Table 2

**Project-related funding decisions made at the 30<sup>th</sup> meeting of the Adaptation Fund Board**

(United States dollars)

Country/title	Implementing entity	Document reference <sup>a</sup>	Requested amount	NIE	RIE	MIE	Approved amount	Decision
1. Projects and programmes: single-country								
Micronesia (Federated States of)	MCT	AFB/PPRC.21/18	970 000	970 000				Not approved
Cook Islands	MFEM	AFB/PPRC.21/19	2 999 125	2 999 125				Not approved
Namibia (1)	DRFN	AFB/PPRC.21/20	4 999 386	4 999 386				Not approved
Namibia (2)	DRFN	AFB/PPRC.21/21	4 999 674	4 999 674			4 999 674	Approved
Ecuador	CAF	AFB/PPRC.21/22	2 489 373		2 489 373			Not approved
Guinea-Bissau	BOAD	AFB/PPRC.21/23	9 979 000		9 979 000		9 979 000	Approved
Togo	BOAD	AFB/PPRC.21/24	10 000 000		10 000 000			Not approved
Fiji	UN-Habitat	AFB/PPRC.21/25	4 235 995			4 235 995	4 235 995	Approved

<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>NIE</i>	<i>RIE</i>	<i>MIE</i>	<i>Approved amount</i>	<i>Decision</i>
Iraq	IFAD	AFB/PPRC.21/26	9 999 660			9 999 660		Not approved
Solomon Islands	UN-Habitat	AFB/PPRC.21/27	4 395 877			4 395 877	4 395 877	Approved
<b>Subtotal</b>			<b>55 068 090</b>	<b>13 968 185</b>	<b>22 468 373</b>	<b>18 631 532</b>	<b>23 610 546</b>	

2. Project formulation grants: single-country

Indonesia (1)	Kemitraan	AFB/PPRC.21/5/Add.1	30 000	30 000				Not approved
Indonesia (2)	Kemitraan	AFB/PPRC.21/6/Add.1	30 000	30 000			30 000	Approved
Indonesia (3)	Kemitraan	AFB/PPRC.21/7/Add.1	30 000	30 000				Not approved
Indonesia (4)	Kemitraan	AFB/PPRC.21/8/Add.1	30 000	30 000				Not approved
Indonesia (5)	Kemitraan	AFB/PPRC.21/9/Add.1	30 000	30 000				Not approved
Indonesia (6)	Kemitraan	AFB/PPRC.21/10/Add.1	30 000	30 000				Not approved
Armenia (1)	EPIU	AFB/PPRC.21/11/Add.1	27 000	27 000			27 000	Approved
Armenia (2)	EPIU	AFB/PPRC.21/12/Add.1	30 000	30 000				Not approved
Indonesia (7)	Kemitraan	AFB/PPRC.21/13/Add.1	30 000	30 000			30 000	Approved
<b>Subtotal</b>			<b>267 000</b>	<b>267 000</b>			<b>87 000</b>	

3. Concepts: single-country

Indonesia (1)	Kemitraan	AFB/PPRC.21/5	998 878	998 878				Not endorsed
Indonesia (2)	Kemitraan	AFB/PPRC.21/6	905 109	905 109				Endorsed
Indonesia (3)	Kemitraan	AFB/PPRC.21/7	946 287	946 287				Not endorsed

<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>NIE</i>	<i>RIE</i>	<i>MIE</i>	<i>Approved amount</i>	<i>Decision</i>
Indonesia (4)	Kemitraan	AFB/PPRC.21/8	990 000	990 000				Not endorsed
Indonesia (5)	Kemitraan	AFB/PPRC.21/9	589 975	589 975				Not endorsed
Indonesia (6)	Kemitraan	AFB/PPRC.21/10	1 000 000	1 000 000				Not endorsed
Armenia (1)	EPIU	AFB/PPRC.21/11	1 435 100	1 435 100				Endorsed
Armenia (2)	EPIU	AFB/PPRC.21/12	2 528 000	2 528 000				Not endorsed
Indonesia (7)	Kemitraan	AFB/PPRC.21/13	4 169 993	4 169 993				Endorsed
Chad	OSS	AFB/PPRC.21/14	9 600 000		9 600 000			Not endorsed
Cambodia	UN-Habitat	AFB/PPRC.21/15	5 000 000			5 000 000		Endorsed
Côte d'Ivoire	AfDB	AFB/PPRC.21/16	9 866 905			9 866 905		Not endorsed
Mongolia	UN-Habitat	AFB/PPRC.21/17	4 500 000			4 500 000		Endorsed
<b>Subtotal</b>			<b>42 530 247</b>	<b>13 563 342</b>	<b>9 600 000</b>	<b>19 366 905</b>		
4. Projects and programmes: regional								
Chile, Ecuador	CAF	AFB/PPRC.21/36	13 910 400		13 910 400			Not approved
Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam	UNESCO	AFB/PPRC.21/37	4 898 775			4 898 775		Not approved
<b>Subtotal</b>			<b>18 809 175</b>		<b>13 910 400</b>	<b>4 898 775</b>		
5. Project formulation grants: regional concepts								
Cuba,	UNDP	AFB/PPRC.21/34/	80 000			80 000	80 000	Approved

<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>NIE</i>	<i>RIE</i>	<i>MIE</i>	<i>Approved amount</i>	<i>Decision</i>
Dominican Republic, Jamaica		Add.1						
<b>Subtotal</b>			<b>80 000</b>			<b>80 000</b>	<b>80 000</b>	
6. Concepts: regional								
Cuba, Dominican Republic, Jamaica	UNDP	AFB/PPRC.21/34	4 969 367			4 969 367		Endorsed
Thailand, Viet Nam	UNEP	AFB/PPRC.21/35	7 000 000			7 000 000		Endorsed
<b>Subtotal</b>			<b>11 969 367</b>			<b>11 969 367</b>		
7. Project formulation grants: regional pre-concepts								
Burkina Faso, Mali	OSS	AFB/PPRC.21/29/ Add.1	20 000		20 000			Not approved
Djibouti, Kenya, Sudan, Uganda	OSS	AFB/PPRC.21/30/ Add.1	20 000		20 000		20 000	Approved
Côte d'Ivoire, Guinea	AfDB	AFB/PPRC.21/32/ Add.1	20 000			20 000	20 000	Approved
Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.21/33/ Add.1	20 000			20 000	20 000	Approved
<b>Subtotal</b>			<b>80 000</b>		<b>40 000</b>	<b>40 000</b>	<b>60 000</b>	
8. Pre-concepts: regional								
Argentina, Uruguay	CAF	AFB/PPRC.21/28	13 999 997		13 999 997			Endorsed
Burkina Faso,	OSS	AFB/PPRC.21/29	4 790 000		4 790 000			Not

Country/title	Implementing entity	Document reference <sup>a</sup>	Requested amount	NIE	RIE	MIE	Approved amount	Decision
Mali								endorsed
Djibouti, Kenya, Sudan, Uganda	OSS	AFB/PPRC.21/30	12 990 000		12 990 000			Endorsed
Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.21/31	14 000 000			14 000 000		Endorsed
Côte d'Ivoire, Guinea	AfDB	AFB/PPRC.21/32	14 000 000			14 000 000		Endorsed
Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.21/33	7 920 000			7 920 000		Endorsed
<b>Subtotal</b>			<b>67 699 997</b>		<b>31 779 997</b>	<b>35 920 000</b>		
<b>9. Total (9 = 1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)</b>			<b>196 503 876</b>	<b>27,798,527</b>	<b>77 798 770</b>	<b>90 906 579</b>	<b>23 837 546</b>	

*Abbreviations:* AfDB = African Development Bank, BOAD = West African Development Bank, CAF = Corporación Andina de Fomento, DRFN = Desert Research Foundation of Namibia, EPIU = Environmental Project Implementation Unit, IFAD = International Fund for Agricultural Development, MCT = Micronesia Conservation Trust, MFEM = Ministry of Finance and Economic Management, MIE = multilateral implementing entity, NIE = national implementing entity, OSS = Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory, RIE = regional implementing entity, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNESCO = United Nations Educational, Scientific and Cultural Organization, UN-Habitat = United Nations Human Settlements Programme, WMO = World Meteorological Organization.

<sup>a</sup> Adaptation Fund Board documents are available at <https://www.adaptation-fund.org/documents-publications/>.

Table 3  
**Project-related funding decisions made at the 31<sup>st</sup> meeting of the Adaptation Fund Board**  
 (United States dollars)

Country/title	Implementing entity	Document reference <sup>a</sup>	Requested amount	NIE	RIE	MIE	Approved amount	Decision
1. Projects and programmes: single-country								
Micronesia	MCT	AFB/PPRC.22/10	970 000	970 000			970 000	Approved

<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>NIE</i>	<i>RIE</i>	<i>MIE</i>	<i>Approved amount</i>	<i>Decision</i>
(Federated States of)								
Cook Islands	MFEM	AFB/PPRC.22/11	2 999 125	2 999 125			2 999 125	Approved
Ecuador	CAF	AFB/PPRC.22/12	2 489 373		2 489 373			Not approved
Togo	BOAD	AFB/PPRC.22/13	10 000 000		10 000 000			Not approved
Cambodia	UN-Habitat	AFB/PPRC.22/14	5 000 000			5 000 000		Not approved
Cameroon	IFAD	AFB/PPRC.22/15	9 982 000			9 982 000		Not approved
Iraq	IFAD	AFB/PPRC.22/16	9 999 660			9 999 660	9 999 660	Approved
Mongolia	UN-Habitat	AFB/PPRC.22/17	4 495 235			4 495 235		Not approved
<b>Subtotal</b>			<b>45 935 393</b>	<b>3 969 125</b>	<b>12 489 373</b>	<b>29 476 895</b>	<b>13 968 785</b>	
2. Project formulation grants: single-country								
Armenia	EPIU	AFB/PPRC.22/6/Add.1	30 000	30 000			30 000	Approved
<b>Subtotal</b>			<b>30 000</b>	<b>30 000</b>			<b>30 000</b>	
3. Concepts: single-country								
Armenia	EPIU	AFB/PPRC.22/6	2 506 000	2 506 000				Endorsed
Lesotho	WFP	AFB/PPRC.22/7	9 801 608			9 801 608		Endorsed
Mozambique	AfDB	AFB/PPRC.22/8	9 999 400			9 999 400		Not endorsed
Uganda	AfDB	AFB/PPRC.22/9	2 249 000			2 249 000		Not endorsed
<b>Subtotal</b>			<b>24 556 008</b>	<b>2 506 000</b>	<b>-</b>	<b>22 050 008</b>		
4. Projects and programmes: regional								
Chile, Ecuador	CAF	AFB/PPRC.22/24	13 910 400		13 910 400			Not approved
<b>Subtotal</b>			<b>13 910 400</b>		<b>13 910 400</b>	<b>0</b>		
5. Project formulation grants: regional								

	<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>NIE</i>	<i>RIE</i>	<i>MIE</i>	<i>Approved amount</i>	<i>Decision</i>
concepts									
	Argentina, Uruguay	CAF	AFB/PPRC.22/21 /Add.1	100 000		100 000		100 000	Approved
	Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.22/22 /Add.1	100 000			100 000		Not approved
	Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.22/23 /Add.1	80 000			80 000	80 000	Approved
<b>Subtotal</b>				<b>280 000</b>		<b>100 000</b>	<b>180 000</b>	<b>180 000</b>	
6. Concepts: regional									
	Argentina, Uruguay	CAF	AFB/PPRC.22/21	13 999 996		13 999 996			Endorsed
	Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.22/22	14 000 000			14 000 000		Not endorsed
	Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.22/23	7 920 000			7 920 000		Endorsed
<b>Subtotal</b>				<b>35 919 996</b>			<b>21 920 000</b>		
7. Project formulation grants: regional pre-concepts									
	Chile, Colombia, Peru	WMO	AFB/PPRC.22/20 /Add.1	19 980			19 980		Approved
<b>Subtotal</b>				<b>19 980</b>			<b>19 980</b>	<b>19 980</b>	
8. Pre-concepts: regional									
	Albania, Montenegro, the Former Yugoslav Republic of Macedonia	UNDP	AFB/PPRC.22/18	9 927 750			9 927 750		Endorsed



Country/title	Implementing entity	Document reference <sup>a</sup>	Requested amount	NIE	RIE	MIE	Approved amount	Decision
Belize, Guatemala	UNEP	AFB/PPRC.22/19	10 009 125			10 009 125		Not endorsed
Chile, Colombia, Peru	WMO	AFB/PPRC.22/20	7 398 000			7 398 000		Endorsed
<b>Subtotal</b>			<b>27 334 875</b>		–	<b>27 334 875</b>		
<b>9. Total (9 = 1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)</b>			<b>147 986 652</b>	<b>6 505 125</b>	<b>26 499 773</b>	<b>100 981 758</b>	<b>14 198 765</b>	

*Abbreviations:* AfDB = African Development Bank, BOAD = West African Development Bank, CAF = Corporación Andina de Fomento, EPIU = Environmental Project Implementation Unit, IFAD = International Fund for Agricultural Development, MCT = Micronesia Conservation Trust, MFEM = Ministry of Finance and Economic Management, MIE = multilateral implementing entity, NIE = national implementing entity, RIE = regional implementing entity, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UN-Habitat = United Nations Human Settlements Programme, WFP = World Food Programme, WMO = World Meteorological Organization.

<sup>a</sup> Adaptation Fund Board documents are available at <https://www.adaptation-fund.org/documents-publications/>.

Figure 1  
**Fully-developed project and programme proposals approved by the Adaptation Fund Board between 1 July 2017 and 30 June 2018**

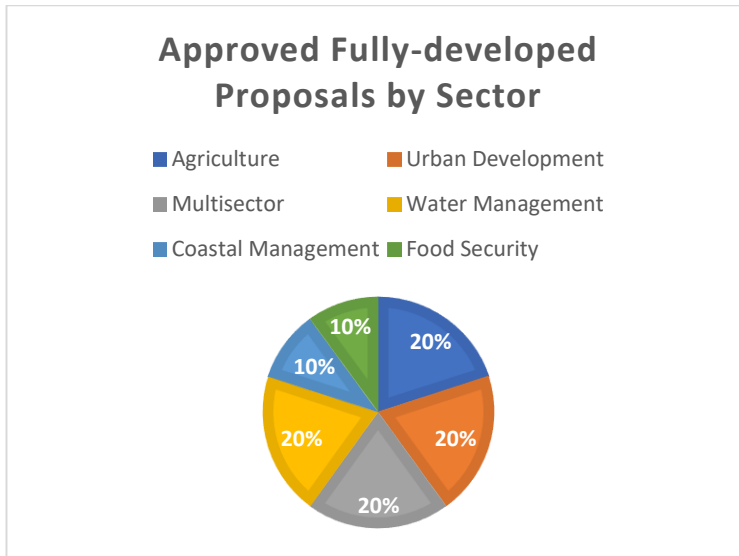


Figure 2  
**Project and programme pre-concepts and concepts endorsed by the Adaptation Fund Board between 1 July 2017 and 30 June 2018**

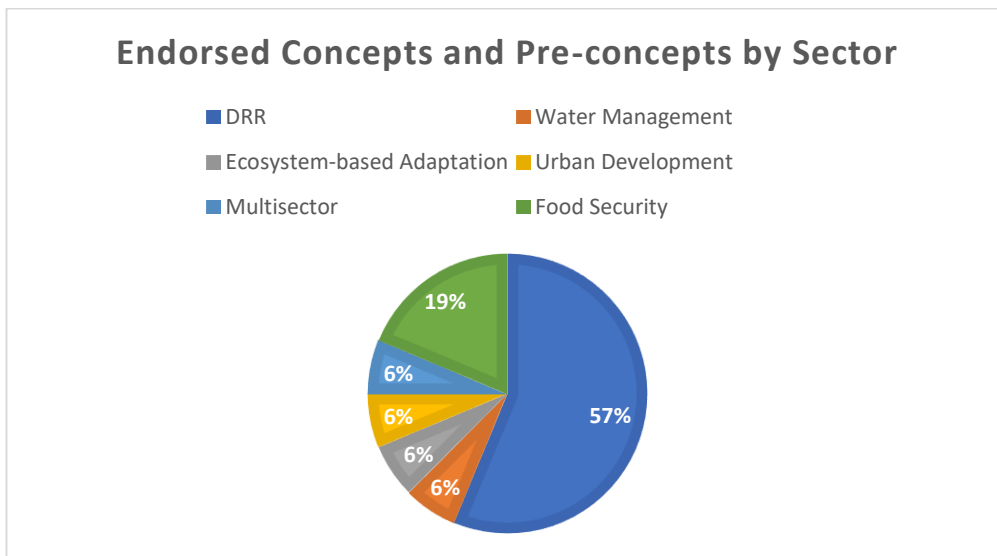


Table 4

**Funding decisions made for projects under the Readiness Programme for Climate Finance during the reporting period**

(United States dollars)

	<i>Country/title</i>	<i>Implementing entity</i>	<i>Document reference<sup>a</sup></i>	<i>Requested amount</i>	<i>Approved NIE amount</i>	<i>Decision</i>
1. Technical assistance grants						
	Morocco	ADA	AFB/PPRC.21-22/2	25 000	25 000	25 000 Approved
<b>Total</b>				<b>25 000</b>	<b>25 000</b>	<b>25 000</b>
2. South-South cooperation grants						
	Côte d'Ivoire	CSE (Senegal)	AFB/PPRC.21-22/3	50 000	50 000	50 000 Approved
	Dominica	DOE (Antigua and Barbuda)	AFB/PPRC.21-22/4	50 000	50 000	50 000 Approved
	Maldives	DOE (Antigua and Barbuda)	AFB/PPRC.21-22/5	50 000	50 000	50 000 Approved
<b>Total</b>				<b>150 000</b>	<b>150 000</b>	<b>150 000</b>

*Abbreviations:* ADA = Agence pour le Développement Agricole, CSE = Centre de Suivi Ecologique, DOE = Department of Environment, NIE = national implementing entity,

<sup>a</sup> Adaptation Fund Board documents are available at <https://www.adaptation-fund.org/documents-publications/>.

## Status of the portfolio of the Adaptation Fund

[English only]

Table 1

Status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as at 30 June 2018

	<i>Country</i>	<i>Title</i>	<i>Implementing entity</i>	<i>Approved amount (USD)</i>	<i>Amount transferred (USD)</i>	<i>Approval date</i>	<i>Project/programme Status</i>
1	Senegal	Adaptation to Coastal Erosion in Vulnerable Areas	CSE	8 619 000	8 619 000	17/9/2010	Completed
2	Honduras	Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor	UNDP	5 620 300	5 620 300	17/9/2010	Completed
3	Nicaragua	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	UNDP	5 500 950	5 500 950	15/12/2010	Completed
4	Pakistan	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan	UNDP	3 906 000	3 906 000	15/12/2010	Completed
5	Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	WFP	7 449 468	7 449 468	18/3/2011	Under implementation
6	Eritrea	Climate Change Adaptation Programme in Water and Agriculture in Anseba Region, Eritrea	UNDP	6 520 850	6 520 850	18/3/2011	Under implementation
7	Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	5 533 500	5 533 500	18/3/2011	Completed
8	Mongolia	Ecosystem-based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	UNDP	5 500 000	5 500 000	22/6/2011	Under implementation
9	Maldives	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	UNDP	8 989 225	8 989 225	22/6/2011	Completed

<i>Country</i>	<i>Title</i>	<i>Implementing entity</i>	<i>Approved amount (USD)</i>	<i>Amount transferred (USD)</i>	<i>Approval date</i>	<i>Project/programme Status</i>	
10	Turkmenistan	Addressing climate change risks to farming systems in Turkmenistan at the national and community level	UNDP	2 929 500	2 929 500	22/6/2011	Completed
11	Mauritius	Climate Change Adaptation Programme in the Coastal Zone of Mauritius	UNDP	9 119 240	6 593 941	16/9/2011	Under implementation
12	Georgia	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia	UNDP	5 316 500	5 316 500	14/12/2011	Completed
13	United Republic of Tanzania	Implementation of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania	UNEP	5 008 564	5 008 564	14/12/2011	Under implementation
14	Cook Islands	Strengthening the Resilience of our Islands and our Communities to Climate Change	UNDP	5 381 600	5 381 600	14/12/2011	Under implementation
15	Uruguay	Building resilience to climate change and variability in vulnerable smallholders	ANII	9 967 678	9 967 678	14/12/2011	Under implementation
16	Samoa	Enhancing Resilience of Samoa's Coastal Communities to Climate Change	UNDP	8 732 351	8 732 351	14/12/2011	Under implementation
17	Madagascar	Madagascar: Promoting Climate Resilience in the Rice Sector	UNEP	5 104 925	4 829 878	14/12/2011	Under implementation
18	Papua New Guinea	Enhancing adaptive capacity of communities to climate change related floods in the North Coast and Islands Region of Papua New Guinea	UNDP	6 530 373	6 530 373	16/3/2012	Under implementation
19	Cambodia	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	UNEP	4 954 273	4 733 962	28/6/2012	Under implementation
20	Colombia	Reducing Risk and Vulnerability to Climate Change in the Region of La Depresión Momposina in Colombia	UNDP	8 518 307	6 644 846	28/6/2012	Under implementation
21	Djibouti	Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities in Djibouti	UNDP	4 658 556	4 658 556	28/6/2012	Under implementation
22	Egypt	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	WFP	6 904 318	6 804 316	28/6/2012	Under implementation
23	Jamaica	Enhancing the Resilience of the Agricultural Sector	PIOJ	9 965 000	5 980 360	28/6/2012	Under

	Country	Title	Implementing entity	Approved amount (USD)	Amount transferred (USD)	Approval date	Project/programme Status
		and Coastal Areas to Protect Livelihoods and Improve Food Security					implementation
24	Lebanon	Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	IFAD	7 860 825	1 589 200	28/6/2012	Not started
25	Mauritania	Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	WFP	7 803 605	7 714 819	28/6/2012	Under implementation
26	Sri Lanka	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	WFP	7 989 727	6 568 567	14/12/2012	Under implementation
27	Argentina	Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province	World Bank	4 296 817	3 752 462	14/12/2012	Under implementation
28	Argentina	Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina	UCAR	5 640 000	5 640 000	4/4/2013	Under implementation
29	Guatemala	Climate change resilient production landscapes and socioeconomic networks advanced in Guatemala	UNDP	5 425 000	5 425 000	14/09/2013	Under implementation
30	Rwanda	Reducing Vulnerability to Climate Change in North West Rwanda through Community-based Adaptation	MINIRENA	9 969 619	9 154 155	01/11/2013	Under implementation
31	Cuba	Reduction of vulnerability to coastal flooding through ecosystem-based adaptation in the south of Artemisa and Mayabeque Provinces	UNDP	6 067 320	4 315 597	20/02/2014	Under implementation
32	Seychelles	Ecosystem-based Adaptation to Climate Change in Seychelles	UNDP	6 455 750	3 583 889	20/02/2014	Under implementation
33	Uzbekistan	Developing Climate Resilience of Farming Communities in the Drought Prone Parts of Uzbekistan	UNDP	5 415 103	2 869 908	20/02/2014	Under implementation
34	Myanmar	Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar	UNDP	7 909 026	7 909 026	27/02/2014	Under implementation
35	Belize	Implement priority ecosystem-based marine	World Bank	6 000 000	5 464 967	18/08/2014	Under

<i>Country</i>	<i>Title</i>	<i>Implementing entity</i>	<i>Approved amount (USD)</i>	<i>Amount transferred (USD)</i>	<i>Approval date</i>	<i>Project/programme Status</i>	
	conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef System					implementation	
36	India	Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise	NABARD	689 264	322 733	10/10/2014	Under implementation
37	India	Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal	NABARD	2 510 854	1 255 427	10/10/2014	Under implementation
38	Costa Rica	Reducing vulnerability by focusing on critical sectors (agriculture, water resources and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors	Fundecooperación	9 970 000	6 733 657	10/10/2014	Under implementation
39	Kenya	Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity Of Vulnerable Communities In Kenya	NEMA	9 998 302	4 956 906	10/10/2014	Under implementation
40	South Africa	Building Resilience in the Greater uMngeni Catchment	SANBI	7 495 055	2 588 273	10/10/2014	Under implementation
41	South Africa	Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change	SANBI	2 442 682	2 104 354	10/10/2014	Under implementation
42	Ghana	Increased resilience to climate change in Northern Ghana through the management of water resources and diversification of livelihoods	UNDP	8 293 972.19	1 852 667.19	05/03/2015	Under implementation
43	Mali	Programme Support for Climate Change Adaptation in the vulnerable regions of Mopti and Timbuktu	UNDP	8 533 348	7 331 866	25/03/2015	Under implementation
44	Nepal	Adapting to climate induced threats to food production and food security in the Karnali Region of Nepal	WFP	9 527 160	2 341 906	01/04/2015	Not started
45	Jordan	Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through implementing innovative projects in water and agriculture in support of adaptation to climate change	MOPIC	9 226 000	4 706 391	10/04/2015	Under implementation
46	Morocco	Climate changes adaptation project in oasis zones	ADA	9 970 000	7 311 018	10/04/2015	Under

	Country	Title	Implementing entity	Approved amount (USD)	Amount transferred (USD)	Approval date	Project/programme Status
		(PACC-ZO)					implementation
47	India	Building adaptive capacities of small inland fishers for climate resilience and livelihood security, Madhya Pradesh	NABARD	1 790 500	895 260	10/04/2015	Under implementation
48	India	Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-dependent Hill Communities	NABARD	969 570	165 933	09/10/2015	Under implementation
49	Chile	Enhancing resilience to climate change of small agriculture in the Chilean region of O'Higgins	AGCI	9 960 000	1 909 974	09/10/2015	Under implementation
50	India	Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu	NABARD	1 344 155	470 454	09/10/2015	Under implementation
51	Peru	Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries	PROFONANPE	6 590 239	2 979 902	18/03/2016	Under implementation
52	Niger	Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger through Modern Irrigation Techniques	BOAD	9 911 000	1 376 000	05/07/2016	Not started
53	Uganda	Enhancing Resilience of Communities to Climate Change Through Catchment-based Integrated Management of Water	OSS	7 751 000	1 500 000	05/07/2016	Under implementation
54	India	Building Adaptive Capacities in Communities, Livelihood and Ecological Security in Kanha-Pench Corridor in Madhya Pradesh	NABARD	2 556 093	706 276	10/07/2016	Under implementation
55	Lao People's Democratic Republic	Enhancing the Climate and Disaster Resilience of the Most Vulnerable Rural and Emerging Urban Rural Settlements in Lao PDR	UN-Habitat	4 500 000	2 376 150	10/07/2016	Under implementation
56	Ethiopia, Kenya, Uganda	Agricultural Climate Resilience Enhancement Initiative (ACREI)	WMO	6 800 000	3 400 000	17/03/2017	Not started
57	Antigua and Barbuda	An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda's Northwest McKinnon's Basin	ABED	9 970 000	1 571 000	17/03/2017	Under implementation
58	Ethiopia	Climate Smart Integrated Rural Development Project	MOFEC	9 987 910	4 354 692	17/03/2017	Under implementation

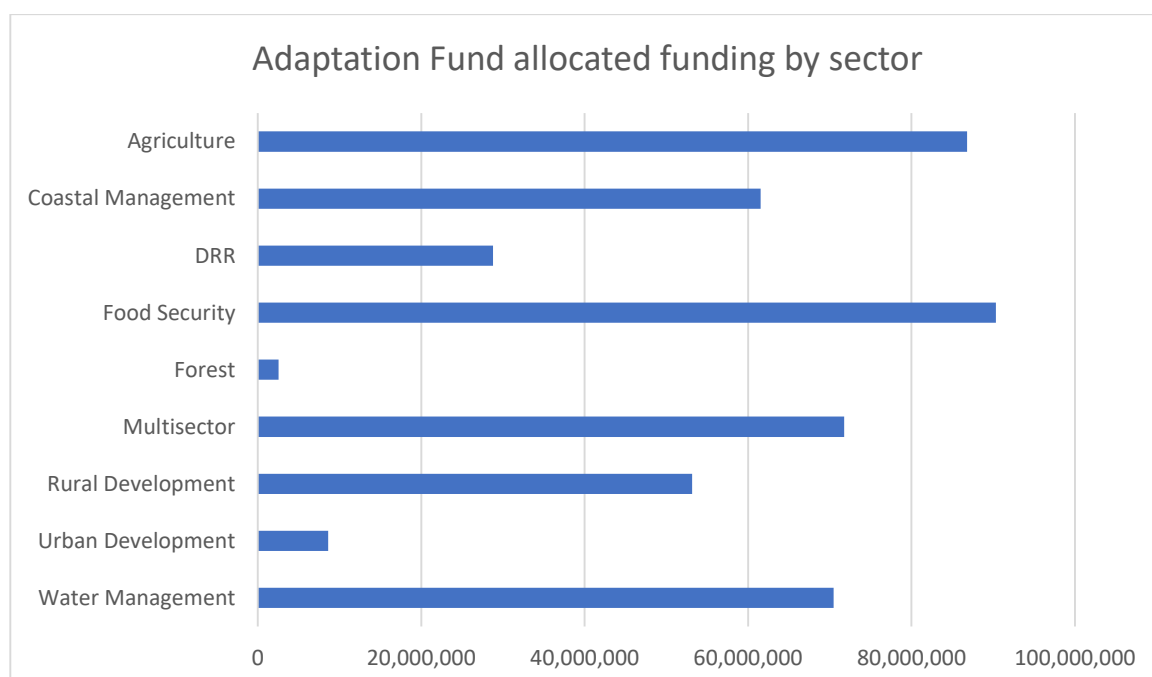


	<i>Country</i>	<i>Title</i>	<i>Implementing entity</i>	<i>Approved amount (USD)</i>	<i>Amount transferred (USD)</i>	<i>Approval date</i>	<i>Project/programme Status</i>
59	Honduras	Ecosystem-based Adaptation in Communities of the Central Forest Corridor at Tegucigalpa	UNDP	4 379 700	137 244	17/03/2017	Not started
60	Micronesia (Federated States of)	Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia	SPREP	9 000 000	1 248 486	17/03/2017	Under implementation
61	Panama	Adapting to Climate Change through Integrated Water Management in Panama	Fundación Natura	9 977 559	5 531 462	17/03/2017	Not started
62	Paraguay	Ecosystem-based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay	UNEP	7 128 450	961 591	17/03/2017	Not started
63	Peru	Strategies for Adaptation to Climate Change for the Preservation of Livestock Capital and Livelihoods in Highland Rural Communities (AYNINACUY)	CAF	2 941 446	923 255	17/03/2017	Not started
64	Colombia, Ecuador	Building adaptation to climate change through food security and nutrition actions in the vulnerable Afro and indigenous communities in the Colombia–Ecuador border area	WFP	14 000 000	1 568 042	05/07/2017	Under implementation
65	Burundi, Kenya, Rwanda, Uganda, United Republic of Tanzania	Adapting to climate change in Lake Victoria basin	UNEP	5 000 000	1 260 692	05/07/2017	Not started
66	Senegal	Reducing vulnerability and increasing the resilience of coastal communities in the Saloum Islands (Dionewar)	CSE	1 351 000	520 000	05/07/2017	Not started
67	Namibia	Pilot desalination plant with renewable power membrane technology	DRFN	4 999 674	4 123 228	13/10/2017	Not started
68	Guinea-Bissau	Scaling up of climate-smart agriculture in East Guinea-Bissau	BOAD	9 979 000	3 034 000	13/10/2017	Not started
69	Fiji	Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks	UN-Habitat	4 235 995	599 127	13/10/2017	Not started
70	Solomon Islands	Enhancing urban resilience to climate change	UN-Habitat	4 395 877	813 750	13/10/2017	Not started

	Country	Title	Implementing entity	Approved amount (USD)	Amount transferred (USD)	Approval date	Project/programme Status
		impacts and natural disasters					
71	Cook Islands	Akamatutu'anga kia Tukatau te Ora'anga ite Pa Enuu (Pa Enuu Action for Resilient Livelihoods; PEARL)	MFEM	2 999 125	1 341 455	22/03/2018	Not started
72	Micronesia (Federated States of)	Practical solutions for reducing community vulnerability to climate change in the Federated States of Micronesia	MCT	970 000	478 573	22/03/2018	Not started
73	Iraq	Building Resilience of the Agriculture Sector to Climate Change in Iraq	IFAD	9 999 660	0	22/03/2018	Not started
			<b>Total</b>	<b>474 067 859.19</b>			

*Abbreviations:* ABED = Department of Environment of Antigua and Barbuda, ADA = Agence pour le Développement Agricole, AGCI = Agencia de Cooperación Internacional de Chile, ANII = Agencia Nacional de Investigación e Innovación, BOAD = West African Development Bank, CAF = Corporación Andina de Fomento, CSE = Centre de Suivi Ecologique, DRFN = Desert Research Foundation of Namibia, IFAD = International Fund for Agricultural Development, MCT = Micronesia Conservation Trust, MFEM = Ministry of Finance and Economic Management, MINIRENA = Ministry of Natural Resources, MOFEC = Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, MOPIC = Ministry of Planning and International Cooperation, NABARD = National Bank for Agriculture and Rural Development, NEMA = National Environment Management Authority, OSS = Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory, PIOJ = Planning Institute of Jamaica, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, SANBI = South African National Biodiversity Institute, SPREP = Secretariat of the Pacific Regional Environment Programme, UCAR = Unidad para el Cambio Rural (Unit for Rural Change), UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UN-Habitat = United Nations Human Settlements Programme, WFP = World Food Programme, WMO = World Meteorological Organization.

**Status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2018 by allocated amount per sector**



**Table 2**  
**Breakdown of the status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as at 30 June 2018**

<i>Status</i>	<i>Number of projects/programmes</i>	<i>Total value (USD)</i>
Not started	17	102 456 471
Under implementation	48	325 196 413.2
Completed	8	46 414 975

**Table 3**  
**Active pipeline of single-country project and programme proposals submitted to the Adaptation Fund but not approved as at 30 June 2018<sup>a</sup>**

<i>Country</i>	<i>Agency</i>	<i>Financing requested (USD)</i>	<i>Stage</i>
<b>NIE proposals</b>			
Armenia	EPIU	1 435 100	Full proposal <sup>b</sup>
Armenia	EPIU	2 506 000	Concept (endorsed)
Indonesia	Kemitraan	4 169 987	Concept (endorsed)
Indonesia	Kemitraan	998 878	Concept
Indonesia	Kemitraan	905 109	Concept (endorsed)
Indonesia	Kemitraan	946 287	Concept
Indonesia	Kemitraan	990 000	Concept
Indonesia	Kemitraan	589 975	Concept
Indonesia	Kemitraan	1 000 000	Concept
Namibia	DRFN	4 999 386	Full proposal
Dominican Republic	IDDI	9 954 000	Full proposal
<b>Subtotal, NIEs</b>		<b>28 494 722</b>	
<b>RIE proposals</b>			
Chad	OSS	9 600 000	Concept

<i>Country</i>	<i>Agency</i>	<i>Financing requested (USD)</i>	<i>Stage</i>
Ecuador	CAF	2 489 373	Full proposal (recommended for approval) <sup>b</sup>
Togo	BOAD	10 000 000	Full proposal <sup>b</sup>
<b>Subtotal, RIEs</b>		<b>22 089 373</b>	
<b>MIE proposals</b>			
Cambodia	UN-Habitat	5 000 000	Full proposal
Mongolia	UN-Habitat	4 495 235	Full proposal (recommended for approval) <sup>b</sup>
Côte d'Ivoire	AfDB	9 866 905	Concept
Lesotho	WFP	9 801 608	Concept (endorsed)
Mozambique	AfDB	9 999 400	Concept
Uganda	AfDB	2 249 000	Concept (recommended for endorsement) <sup>b</sup>
Cameroon	IFAD	9 982 000	Full proposal <sup>b</sup>
<b>Subtotal, MIEs</b>		<b>51 394 148</b>	
<b>Total, all implementing entities</b>		<b>101 978 243</b>	

*Abbreviations:* AfDB = African Development Bank, BOAD = West African Development Bank, CAF = Corporación Andina de Fomento, DRFN = Desert Research Foundation of Namibia, EPIU = Environmental Project Implementation Unit, IDDI = Dominican Institute of Integral Development (IDDI), IFAD = International Fund for Agricultural Development (IFAD), MIE = multilateral implementing entity, NIE = national implementing entity, OSS = Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory, RIE = regional implementing entity, UN-Habitat = United Nations Human Settlements Programme, WFP = World Food Programme.

<sup>a</sup> Single-country proposals that had been submitted to the Adaptation Fund between 1 July 2017 and 30 June 2018 but not yet approved by the Adaptation Fund Board or cancelled by the proponent by the end of that period.

<sup>b</sup> These single-country proposals were recommended/not recommended for endorsement/approval as at the date of this report and await intersessional decision of the Adaptation Fund Board through a two-week non-objection process, to be completed by 16 July 2018.

Table 4  
**Active pipeline of regional project and programme proposals submitted to the Adaptation Fund but not approved as at 30 June 2018<sup>a</sup>**

<i>Countries</i>	<i>Agency</i>	<i>Financing requested (USD)<sup>b</sup></i>	<i>Stage</i>
<b>RIE proposals</b>			
Argentina, Uruguay	CAF	13 999 996	Concept (endorsed)
Burkina Faso, Mali	OSS	4 790 000	Pre-concept
Djibouti, Kenya, Sudan, Uganda	OSS	13 079 540	Concept (recommended for endorsement) <sup>c</sup>
Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	14 000 000	Full proposal (recommended for approval) <sup>c</sup>
Chile, Ecuador	CAF	13 910 400	Full proposal (recommended for approval) <sup>c</sup>
Benin, Burkina Faso, Niger	OSS	11 536 200	Full proposal <sup>c</sup>
<b>Subtotal, RIEs</b>		<b>71 316 136</b>	
<b>MIE proposals</b>			
Côte d'Ivoire, Guinea	AfDB	14 000 000	Pre-concept (endorsed)
Côte d'Ivoire, Ghana	UN-Habitat	14 000 000	Concept (recommended for endorsement) <sup>c</sup>

<i>Countries</i>	<i>Agency</i>	<i>Financing requested (USD)<sup>b</sup></i>	<i>Stage</i>
Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo	WMO	7 920 000	Concept (endorsed)
Cuba, Dominican Republic, Jamaica	UNDP	4 969 367	Concept (endorsed)
Thailand, Viet Nam	UNEP	7 000 000	Concept (endorsed)
Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam	UNESCO	4 898 775	Full-proposal
Albania, Montenegro, the former Yugoslav Republic of Macedonia	UNDP	9 927 750	Pre-concept (endorsed)
Belize, Guatemala	UNEP	10 009 125	Pre-concept (endorsed)
Chile, Colombia, Peru	WMO	7 398 000	Pre-concept (endorsed)
Comoros, Madagascar, Malawi, Mozambique	UN-Habitat	13 997 423	Full-proposal <sup>c</sup>
Kazakhstan, Tajikistan, Uzbekistan	UNESCO	5 000 000	Concept (recommended for endorsement) <sup>c</sup>
<b>Subtotal, MIEs</b>		<b>99 120 440</b>	
<b>Total, all implementing entities</b>		<b>170 436 576</b>	

*Abbreviations:* AfDB = African Development Bank, BOAD = West African Development Bank, CAF = Corporación Andina de Fomento, MIE = multilateral implementing entity, OSS = Observatoire du Sahara et du Sahel (Sahara and Sahel Observatory), RIE = regional implementing entity, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNESCO = United Nations Educational, Scientific and Cultural Organization, UN-Habitat = United Nations Human Settlements Programme, WMO = World Meteorological Organization.

<sup>a</sup> Regional proposals that had been submitted to the Adaptation Fund between 1 July 2017 and 30 June 2018 but not yet approved by the Adaptation Fund Board or cancelled by the proponent by the end of that period.

<sup>b</sup> Funding request amounts are as in the latest submission of the proposal. Only proposals that had been endorsed by the governments of all prospective recipient countries are included.

<sup>c</sup> These regional proposals were under review at the end of the reporting period.

Table 5  
**Overview of active pipeline of single-country and regional proposals under development**

	<i>Submitted by NIE</i>	<i>Total value (USD)</i>	<i>Submitted by RIE</i>	<i>Total value (USD)</i>	<i>Submitted by MIE</i>	<i>Total value (USD)</i>	<i>Total</i>	<i>Total value (USD)</i>
<b>Single-country projects and programmes</b>								
Concept submitted, not endorsed	5	4 435 140	1	9 600 000	3	22 115 305	9	36 150 445
Concept submitted, endorsed	3	7 581 096	0	0	1	9 801 608	4	17 382 704
Full proposal submitted, not approved	3	16 388 486	2	12 489 373	3	19 477 235	8	48 355 094
<b>Regional projects and programmes</b>								
Pre-concept submitted, not endorsed	–	–	1	4 790 000	0	0	1	4 790 000
Pre-concept submitted, endorsed	–	–	0	0	4	41 334 875	4	41 334 875
Concept submitted, not endorsed	–	–	0	0	0	0	0	0
Concept submitted, endorsed	–	–	2	27 079 536	5	38 889 367	7	65 968 903
Full proposal submitted, not approved	–	–	3	39 446 600	2	18 896 198	5	58 342 798
<b>Total</b>	<b>11</b>	<b>28 404 722</b>	<b>9</b>	<b>93 405 509</b>	<b>18</b>	<b>150 514 588</b>	<b>38</b>	<b>272 324 819</b>

*Abbreviations:* MIE = multilateral implementing entity, NIE = national implementing entity, RIE = regional implementing entity.

<sup>a</sup> This table includes single-country and regional proposals that were under review at the end of the reporting period.

## Annex VII

### Guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session and response by the Adaptation Fund Board

[English only]

*CMP decision**Adaptation Fund Board response*


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#### Decision 1/CMP.13: Report of the Adaptation Fund Board

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##### Paragraph 8

Also encourages the Adaptation Fund Board, in line with its existing mandate, to continue its consideration of linkages between the Adaptation Fund and other funds, and to report on the outcomes thereof to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session (December 2018)

Refer to paragraphs 45–56 in chapter III (“Operational linkages and relations with institutions under the Convention”) of this document. Following decisions by the Board, during the forty-eighth sessions of the subsidiary bodies the Chair and Vice-Chair of the Fund, supported by its secretariat, held a bilateral meeting with the Co-Chairs of the GCF and discussed possible concrete steps to enhance complementarity and coherence between the two funds

##### Paragraph 9

Further encourages the Adaptation Fund Board to implement its medium-term strategy

Refer to paragraphs 32–36 in the section “Medium-term strategy” of chapter II of this document

##### Paragraph 10

Encourages the Adaptation Fund Board to continue its deliberations on enhancing and streamlining accreditation policies for implementing entities, including reaccreditation of previously accredited entities

Refer to paragraph 19 in the section “Accreditation of implementing entities” of chapter II of this document. With regard to reaccreditation, note also the earlier Adaptation Fund Board decision B.28/38, by which the Board approved the fast-track reaccreditation process for the Fund’s implementing entities that are also accredited with the GCF

##### Paragraph 11

Requests the Adaptation Fund Board to make available, as part of its annual report, information on board meetings and other relevant developments that have taken place after the publication of the main part of the annual report

Noted. The Board will issue an addendum to the annual report following its 32<sup>nd</sup> meeting, which will take place on 11 and 12 October 2018

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#### Decision 2/CMP.13: Third Review of the Adaptation Fund

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##### Paragraph 7

Encourages the Adaptation Fund Board:

(a) To consider options for improvement of efficiency with regard to the operation of the Adaptation Fund

Phase II of the overall evaluation of the Fund, finalized in June 2018, concluded that:

(a) The Fund is efficient in managing the accreditation and project cycle processes. Even as the volume of accreditation applications and project proposals increases, the secretariat maintains its efficiency;

(b) The Fund has a clear advantage in efficient project approval processes. It has the smallest secretariat, which is indicative of cost efficiency;

(c) Projects in general are delivered on time, although implementation delays affect overall time frames and in some instances lead to revision of activities.

With regard to improvement of the efficiency of the accreditation and reaccreditation processes, refer to paragraph 19 in the section “Accreditation of implementing entities” of

(b) To continue to engage with subnational actors and the private sector through, inter alia, microfinance schemes, weather-based insurance arrangements, involvement with local industry groups and farmers in adaptation projects, and public–private partnerships

The Board engages, through its portfolio of projects and programmes, with subnational actors and the private sector, and does so through, inter alia, microfinance schemes, weather-based insurance arrangements, and involvement with local industry groups and farmers in adaptation projects. For instance, a project implemented in Djibouti supports the development of microfinance products to facilitate and promote diversified and climate resilient agropastoral production systems. In Argentina and Georgia, the Fund has successfully helped piloting horticulture and flood insurance schemes, respectively, to support vulnerable communities to adapt to extreme weather events in the target areas in those countries. In Peru and Senegal, local fish processing and tourism industries have been engaged with to reduce the vulnerability of coastal ecosystems and communities. Lastly, farmers have been supported in different circumstances, regions and ecosystems, including the most vulnerable smallholders through grant packages and training, or other farmers through the establishment of revolving funds, microfinance and insurance schemes, and the provision of training, to reduce their vulnerability to extreme climate events. The continuing efforts of the Fund to engage with subnational actors and the private sector will be strengthened while the Fund implements the medium-term strategy, adopted by the Board in October 2017, of which the three pillars are action, innovation, and learning and sharing

(c) To consider voluntary tracking of climate finance mobilized, where appropriate

Since the approval of the reporting process and the project performance template in December 2011 by Adaptation Fund Board decision B.16/21, the Board has tracked, at the level of individual projects and programmes, voluntary co-financing through project documents and annual project performance reports

Refer to paragraphs 45–56 in chapter III (“Operational linkages and relations with institutions under the Convention”) of this document

(d) To continue the efforts to enhance complementarity and coherence with other funds both under and outside the Convention

### Paragraph 8

Requests the Adaptation Fund Board:

(a) To consider lessons learned from the Adaptation Fund’s engagement with private sector stakeholders in adaptation projects at the local level, including in the decision-making processes of the Adaptation Fund and in communications with donors

The medium-term strategy adopted by the Board in October 2017 includes learning and sharing as one of its three pillars, which provides opportunities to compile, analyse and disseminate lessons learned from engagement with private sector stakeholders, among other areas

(b) To monitor and assess project approval time under the Readiness Programme, identifying any linkages of this time to the introduction of the Adaptation Fund’s environmental and social policy, and to take measures to reduce the time, as necessary, while continuing to implement its environmental and social safeguards and gender policy

The Readiness Programme provides support for improving implementing entities’ capacity to comply with the requirements of the environmental and social policy, as well as with the gender policy, both through training organized in workshops and seminars, and through targeted small grants that enable the acquisition of technical assistance. The Fund also has produced and updated relevant guidance documents. The Board



<i>CMP decision</i>	<i>Adaptation Fund Board response</i>
(c) To continue to provide information on project approval time	has observed increased capacity among implementing entities, including national, regional and multilateral implementing entities, with the comprehensive safeguards policies of the Fund  Project approval time is a standard indicator tracked by the Board through the annual performance reports prepared by the secretariat
(d) To continue monitoring the adaptation impacts and results of the Adaptation Fund, including using local and sector-specific metrics	The results-based management system of the Fund combines the goals of collecting locally and sectorally relevant information on impacts and results, and of collecting results-related information that can be aggregated at the Fund level across projects, regions and sectors. The system, through the project performance reporting system, encourages the identification, collection, analysis and dissemination of lessons learned that are specific to the particular circumstances where the project or programme is implemented This includes using local and sector-specific metrics that are best suited to those circumstances.
(e) To report on progress made on the mandates arising from this decision in the future reports of the Adaptation Fund to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol	Noted

*Abbreviations:* CMP = Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, GCF = Green Climate Fund.

## **Annex VIII**

**Financial report of the Adaptation Fund Trust Fund as at 30 June 2018, prepared by the trustee: supplemental report to the Adaptation Fund Board Report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session\***

[English only]

**Adaptation Fund Trust Fund  
Financial Report  
Prepared by the Trustee  
*As of June 30, 2018***

*Supplemental Report for the Adaptation Fund Board Report to CMP 14*

\* Text reproduced as received.

## Table of Contents

### Table of Contents

Introduction .....	60
Adaptation Fund Trust Fund Summary as of June 30, 2018.....	61
1.AF Trust Fund Summary – Inception through June 30, 2018.....	62
2.CER Sales Proceeds and Donations.....	62
3.Asset Mix and Investment Income .....	65
4.Cumulative Funding Decisions (breakdown by NIEs, RIEs and MIEs).....	66
5.Funds Available 69	
Annex – Detailed CER Monetization Record.....	70
Glossary .....	71

## Introduction

This report is produced by the World Bank as interim trustee (“Trustee”) for the Adaptation Fund (AF), in accordance with the Trustee’s role in the Adaptation Fund Trust Fund as set forth under paragraph 23 in the Appendix of Decision 1/CMP.4 of the CMP<sup>1</sup>.

The information contained in this Financial Report is based on financial information as of June 30, 2018.

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<sup>1</sup> The decision states that: “The Trustee shall prepare and furnish the Adaptation Fund Board with financial reports of the Trust Fund annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), and provide records and accounts of the Trust Fund for audit by its external auditors annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), in accordance with the policies and procedures of the Trustee. Furthermore, the Trustee shall prepare and furnish the Adaptation Fund Board with reports on the sale of the CERs for the Adaptation Fund and on the status of commitments and transfers of Trust Fund funds annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board).”

## Adaptation Fund Trust Fund Summary as of June 30, 2018

### ***Certified Emission Reduction (CER) Sales and Donations***

Cumulative resources received into the AF Trust Fund through CER sales proceeds and donations was USDeq. 737.68 million as of June 30, 2018.

Since the start of the CER monetization program in May 2009, the Trustee has generated revenues of USDeq. 199.40 million through CER sales, USDeq. 1.57 million of which were from CER sales for the period July 1, 2017 to June 30, 2018 (fiscal year 2018). As of June 30, 2018, cumulative donations received amounted to USDeq. 538.29 million.

### ***Investment Income***

As of June 30, 2018, the AF Trust Fund earned investment income of approximately USD 15.82 million on the liquid balances in the Trust Fund. The AF Trust Fund liquid portfolio has returned 1.72% for fiscal year 2018.

### ***Funding Approvals***

Cumulative net funding decisions made by the AF Board through June 30, 2018 totaled USD 524.80 million, of which USD 476.75 million represents approvals for projects and programs.

### ***Cash Transfers***

The Trustee has transferred a total of USD 336.56 million up to June 30, 2018, including USD 294.84 million related to projects and programs.

### ***Funds Held in Trust***

Funds Held in Trust<sup>2</sup> reflect proceeds from CER monetization, donations received and investment income, less cash transfers made to date. Funds Held in Trust as of June 30, 2018 amounted to USDeq. 416.95 million, of which the amount set aside for operational reserve is USD 3 million.

### ***Funds available for AF Board funding decisions***

Funds available to support AF funding decisions amounted to USD 225.70 million as of June 30, 2018.

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<sup>2</sup> Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

## 1. AF Trust Fund Summary – Inception through June 30, 2018

*In USD millions*

	Total	% of Total
<b><u>CER Sales Proceeds, Pledges and Donations</u></b>		
CER Sales Proceeds	199.40	27.0%
Donations	538.29	73.0%
Pledges	-	0.0%
<b>Total CER Sales Proceeds and Donations</b>	<b><u>737.68</u></b>	<b><u>100.0%</u></b>

<b><u>Cumulative Resources</u></b>		
<b><u>Resources received</u></b>		
CER Sales Proceeds	199.40	26.5%
Donations	538.29	71.4%
Investment Income earned	15.82	2.1%
<b>Total Resources Received</b>	<b><u>753.51</u></b>	<b><u>100.0%</u></b>
<b><u>Resources not yet received</u></b>		
Donations not yet received	-	0.0%
Pledges	-	0.0%
<b>Total resources not yet received</b>	<b><u>-</u></b>	<b><u>0.0%</u></b>
<b>Total Potential Resources (A) (in USD millions)</b>	<b><u>753.51</u></b>	<b><u>100.0%</u></b>

<b><u>Cumulative Funding Decisions</u></b>		
Programs and Projects (MIE)	274.82	52.4%
Programs and Projects (NIE)	162.06	30.9%
Programs and Projects (RIE)	39.88	7.6%
Administrative Budget	48.05	9.2%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b><u>524.80</u></b>	<b><u>100.0%</u></b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b><u>228.70</u></b>	
<b>Total Potential Resources Net of Funding Decisions and Operational Reserve</b>	<b><u>225.70</u></b>	

<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions	413.95	
Approved Amounts Pending Cash Transfers	188.24	
<b>Total Funds Available to Support AF Board Decisions</b>	<b><u>225.70</u></b>	

Note: sub-totals may not add up to due to rounding

## 2. CER Sales Proceeds and Donations

### CER SALES PROCEEDS

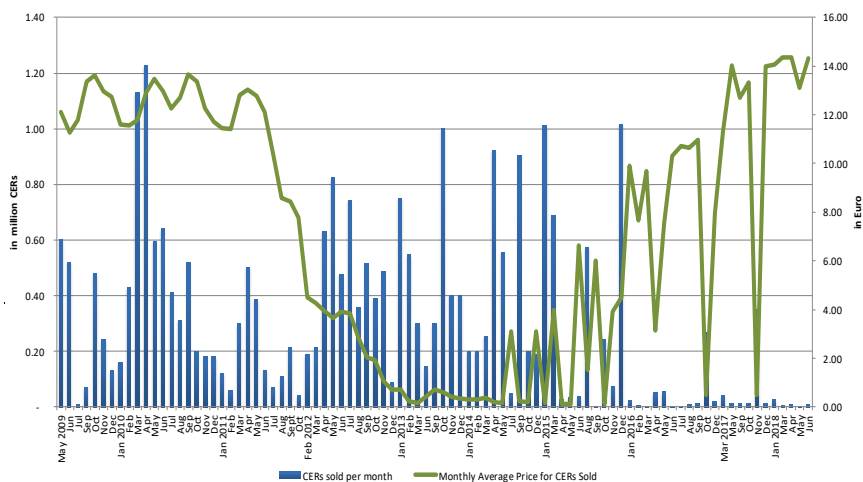
This table shows the proceeds from CER sales received into the Adaptation Fund Trust Fund.

The Trustee has generated revenues of USDeq. 199.40 million through CER sales since the start of the CER monetization program in May 2009.

Calendar Year		CER balance a/	CER sales	Proceeds USD (millions)
2009	Q2	5,044,100	1,120,000	18.55
	Q3	5,461,361	80,000	1.52
	Q4	5,225,632	850,000	16.06
2010	Q1	4,161,678	1,720,000	27.95
	Q2	2,174,188	2,465,000	41.84
	Q3	1,306,693	1,240,000	20.92
	Q4	1,888,232	560,000	9.51
2011	Q1	3,005,041	480,000	8.18
	Q2	3,403,530	1,015,000	18.59
	Q3	4,966,292	390,000	4.80
	Q4	6,255,615	40,000	0.42
2012	Q1	7,514,701	400,000	2.31
	Q2	7,034,418	1,931,000	9.41
	Q3	6,280,769	1,614,000	6.22
	Q4	8,217,077	965,000	1.71
2013	Q1	9,035,889	1,498,000	0.25
	Q2	10,528,786	144,303	0.08
	Q3	10,932,978	300,000	0.29
	Q4	9,749,545	1,800,000	1.18
2014	Q1	8,582,226	655,000	0.29
	Q2	8,502,467	1,478,000	0.34
	Q3	8,626,126	950,594	0.26
	Q4	7,882,366	389,680	0.11
2015	Q1	7,099,207	1,696,880	3.18
	Q2	8,079,205	97,415	0.28

### CER SALES VS. MONTHLY AVERAGE PRICE

This chart presents the number of CERs sold per month and the monthly average price obtained by the Trustee for CERs sold between May 2009 and June 2018. During fiscal year 2018, the Trustee sold 0.43 million CERs and generated USDeq. 1.57 million in CER proceeds. The average price achieved during fiscal year 2018 was EUR 3.04 per ton.



## DONATIONS

Donor	Currency	Pledged Donation in Currency of Contribution	Effective (or signed) Donation	Receipts in Currency of Contribution	Receipts in USDeq. a/
Austria	EUR	500,000	500,000	500,000	690,250
Belgium	EUR	1,500,000	1,500,000	1,500,000	1,645,500
Belgium (Flanders)	EUR	7,250,000	7,250,000	7,250,000	7,806,813
Belgium (Walloon Region)	EUR	8,500,000	8,500,000	8,500,000	9,755,500
Belgium (Brussels Capital Region)	EUR	4,801,575	4,801,575	4,801,575	5,601,872
Corporacion Andina de Fomento	USD	56,000	56,000	56,000	56,000
Finland b/	USD	67,534	67,534	67,534	67,534
Finland	EUR	5,000,000	5,000,000	5,000,000	6,803,000
France b/	USD	53,340	53,340	53,340	53,340
France	EUR	5,000,000	5,000,000	5,000,000	5,564,000
Germany	EUR	240,000,000	240,000,000	240,000,000	283,131,200
Ireland	EUR	300,000	300,000	300,000	356,550
Italy	EUR	14,000,000	14,000,000	14,000,000	16,375,900
Japan b/	USD	8,088	8,088	8,088	8,088
Luxembourg	EUR	2,000,000	2,000,000	2,000,000	2,105,296
Monaco	EUR	10,000	10,000	10,000	12,197
Norway b/	USD	87,700	87,700	87,700	87,700
Norway	NOK	15,000,000	15,000,000	15,000,000	2,439,381
Spain	EUR	45,000,000	45,000,000	45,000,000	57,055,000
Sweden	SEK	835,000,000	835,000,000	835,000,000	108,548,931
Switzerland b/	USD	77,668	77,668	77,668	77,668
Switzerland	CHF	13,000,000	13,000,000	13,000,000	14,125,926
United Kingdom	GBP	10,000,000	10,000,000	10,000,000	15,915,000
United Nations Foundation	USD	-	1,528	1,528	1,528
Others	GBP	-	326	326	504
Others	EUR	-	412	412	566
<b>Total Donations Received</b>					<b>538,285,245</b>

a/ Represents actual USD receipts.

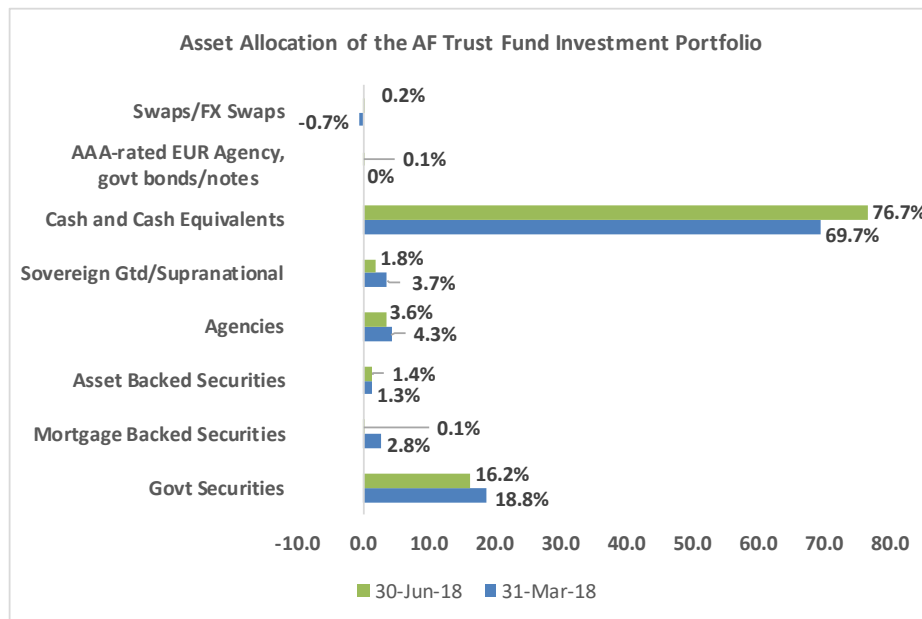
b/ Donation corresponds to the Donor's pro-rata share of the balance in the Administrative Trust Fund



### 3. Asset Mix and Investment Income

#### ASSET MIX

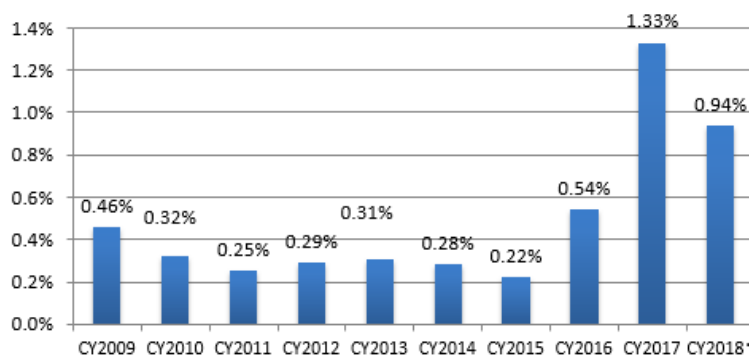
The undisbursed cash balance of the Adaptation Fund Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. Funds are managed such that the expected maximum loss, as measured by the CVaR, in the worst 1% of cases will not exceed 0.25% at the portfolio’s investment horizon. The portfolio allocation by asset class has the largest allocations to government securities and money-market instruments.



Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.

#### INVESTMENT RETURNS

The AF Trust Fund liquid portfolio earned approximately USD 15.82 million in investment income since inception. The portfolio return during fiscal year 2018 was 1.72%, with the largest contributors to investment performance being money market instruments and sovereign bonds.



\*non-annualized

## 4. Cumulative Funding Decisions (breakdown by NIEs, RIEs and MIEs)

*In USD millions*

<b>1. Programs and Projects</b>	<b>MIE/RIE/NIE</b>	<b>MIE</b>	<b>RIE</b>	<b>NIE</b>	<b>476.75</b>
Antigua and Barbuda	ABED	-	-	10.00 a/	
Argentina	UCAR	-	-	5.67 a/	
Argentina	WB	4.30	-	-	
Armenia	EPIU	-	-	0.03 a/	
Armenia	EPIU	-	-	0.03 a/	
Belize	WB	6.00	-	-	
Benin	FNE	-	-	0.03 a/	
Cambodia	UNEP	4.95	-	-	
Chile	AGCI	-	-	9.99 a/	
Colombia	UNDP	8.52	-	-	
Cook Islands	UNDP	5.38	-	-	
Cook Islands	MFEM	-	-	3.00	
Costa Rica	FDS	-	-	10.00 a/	
Cuba	UNDP	6.07	-	-	
Djibouti	UNDP	4.66	-	-	
Dominican Republic	IDDI	-	-	0.03 a/	
Ecuador	WFP	7.45	-	-	
Egypt	WFP	6.90	-	-	
Eritrea	UNDP	6.52	-	-	
Ethiopia	MOFEC	-	-	9.99	
Fiji	UN HABITAT	4.24	-	-	
Georgia	UNDP	5.32	-	-	
Ghana	UNDP	8.29	-	-	
Guatemala	UNDP	5.43	-	-	
Guinea Bissau	BOAD	-	9.98	-	
Honduras	UNDP	5.62	-	-	
Honduras	UNDP	4.38	-	-	
India	NABARD	-	-	1.37 a/	
India	NABARD	-	-	0.69	
India	NABARD	-	-	2.54 a/	
India	NABARD	-	-	1.82 a/	
India	NABARD	-	-	0.97	
India	NABARD	-	-	2.58 a/	
Indonesia	KEMITRAAN	-	-	0.03 a/	
Indonesia	KEMITRAAN	-	-	0.03 a/	
Iraq	IFAD	10.00	-	-	
Jamaica	PIOJ	-	-	10.00 a/	
Jordan	MOPIC	-	-	9.26 a/	
Kenya	NEMA	-	-	10.00	
Lao, PDR	UN HABITAT	4.50	-	-	
Lebanon	IFAD	7.86	-	-	
Madagascar	UNEP	5.10	-	-	
Maldives	UNDP	8.99	-	-	
Mali	UNDP	8.53	-	-	
Mauritania	WFP	7.80	-	-	
Mauritius	UNDP	9.12	-	-	
Micronesia	SPREP	-	9.00	-	
Micronesia	MCT	-	-	1.00 a/	
Mongolia	UNDP	5.50	-	-	
Morocco	ADA	-	-	10.00 a/	
Myanmar	UNDP	7.91	-	-	

**1. Programs and Projects** **MIE/RIE/NIE**

*(continued)*

Namibia	DRFN
Namibia	DRFN
Nepal	WFP
Nicaragua	UNDP
Niger	BOAD
Pakistan	UNDP
Panama	FN
Papua New Guinea	UNDP
Paraguay	UNEP
Peru	PROFONANPE
Peru	CAF
Rwanda	MINIRENA
Samoa	UNDP
Senegal	CSE
Senegal	CSE
Seychelles	UNDP
Solomon Islands	UNDP
Solomon Islands	UN HABITAT
South Africa	SANBI
South Africa	SANBI
Sri Lanka	WFP
Tanzania	UNEP
Turkmenistan	UNDP
Uganda	OSS
Uruguay	ANII
Uzbekistan	UNDP
Regional	
Africa	
Asia	
Caribbean	
Central America	
South America	
Oceania	

Sub-Total by IE type

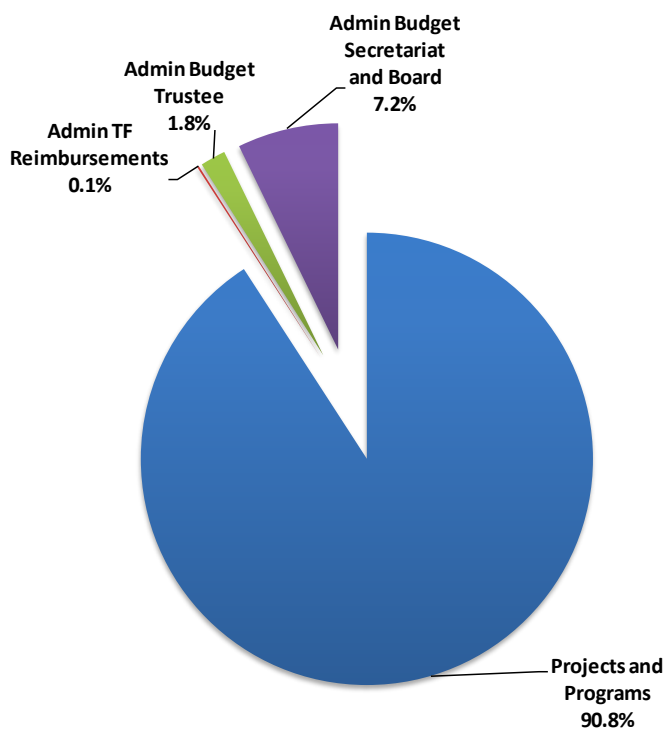
**% Total Programs and Projects**

**2. Administrative Budget**

- AF Administrative Trust Fund e/
- Administrative Budget - Trustee
- Administrative Budget - AF Board and Secretaria

**3. Total Funding Decisions (3 = 1 + 2)**

- a/ Includes approved Project Formulation Grants
- b/ Represents accreditation support
- c/ Represents technical assistance
- d/ Includes approved regional projects
- e/ Represents reimbursable contributions from Administrative Trust Fund



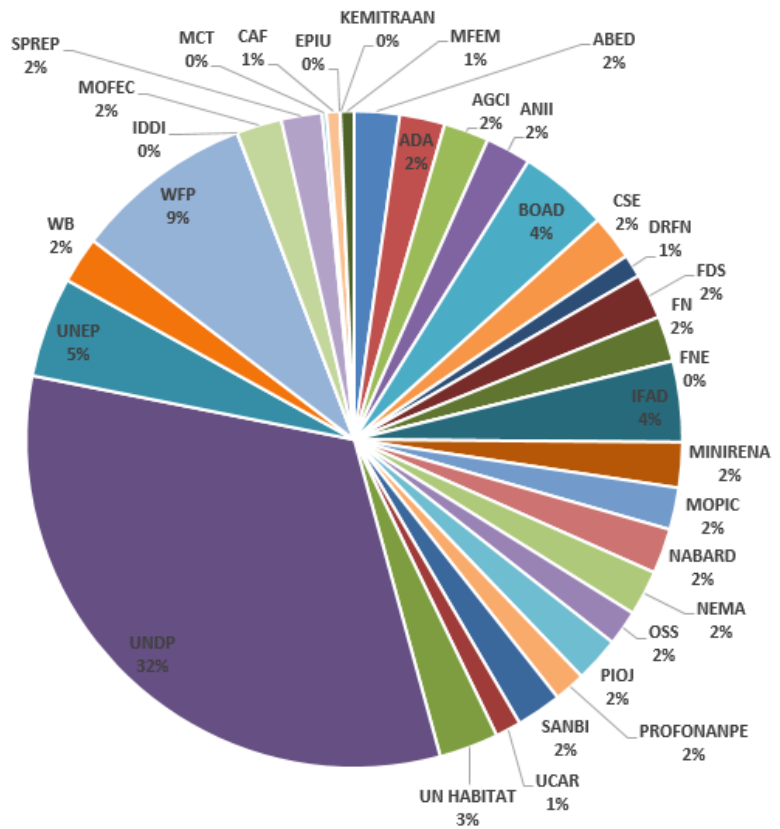
**CUMULATIVE FUNDING DECISIONS**

Since inception to June 30, 2018  
funding approvals made by the AF

Board amounted to USD 524.80 million.

**FUNDING DECISIONS BY NIE/RIE/MIE**

Funding decisions by NIE/RIE/MIE show the cumulative funding decisions related to programs and projects. To date, cumulative funding decisions to NIEs/RIEs/MIEs amount to USD 476.75 million.



## 5. Funds Available

*In USD millions*

	As of June 30, 2018 (a)	As of June 30, 2017 (b)	Change since last report (a) - (b)
<b>1. Cumulative Receipts</b>	<b>753.51</b>	<b>649.50</b>	<b>104.00</b>
a. Cash receipts from CER proceeds	199.40	197.82	1.57
b. Cash receipts from Donors and Other Sources	538.29	442.40	95.89
c. Investment Income earned	15.82	9.28	6.54
<b>2. Cumulative Cash Transfers</b>	<b>336.56</b>	<b>270.24</b>	<b>66.32</b>
a. Projects and Programs	294.84	234.28	60.56
b. Operational Expense	41.72	35.96	5.76
<b>3. Funds Held in Trust ( 3 = 1 - 2 )</b>	<b>416.95</b>	<b>379.26</b>	<b>37.68</b>
<b>4. Operational Reserve</b>	<b>3.00</b>	<b>3.00</b>	<b>-</b>
<b>5. Funding Decisions Pending Cash Transfer</b>	<b>188.24</b>	<b>190.37</b>	<b>(2.13)</b>
<b>6. Funds available to support AF Board funding decisions ( 6 = 3 - 4 - 5 )</b>	<b>225.70</b>	<b>185.89</b>	<b>39.81</b>

*Note: sub-totals may not add up due to rounding*

## Annex – Detailed CER Monetization Record

	Calendar Quarter	Sale Method	Quantity	Quarterly Average Market Price	Quarterly Average Price Achieved by the Trustee	Total Euro	Actual USD
<b>2009</b>	Q2	OTC	1,100,000	11.62	11.85	13,030,000	18,244,887
		Exchange	20,000	11.62	10.79	215,700	302,455
	Q3	OTC	-	-	-	-	-
		Exchange	80,000	12.74	13.16	1,044,000	1,519,280
	Q4	OTC	400,000	12.72	12.41	4,965,000	7,372,659
		Exchange	450,000	12.72	13.02	5,860,600	8,689,141
<b>2010</b>	Q1	OTC	1,300,000	11.69	11.93	15,505,000	21,219,352
		Exchange	420,000	11.69	11.59	4,867,200	6,734,673
	Q2	OTC	1,570,000	13.02	13.17	20,684,500	26,768,710
		Exchange	895,000	13.02	13.07	11,693,600	15,068,497
	Q3	OTC	700,000	12.90	13.51	9,454,000	12,049,753
		Exchange	540,000	12.90	12.67	6,839,600	8,866,433
	Q4	OTC	-	-	-	-	-
		Exchange	560,000	12.47	12.48	6,991,500	9,511,362
<b>2011</b>	Q1	OTC	300,000	11.89	12.83	3,847,500	5,437,099
		Exchange	180,000	11.89	11.44	2,059,000	2,746,051
	Q2	OTC	500,000	12.49	13.02	6,509,000	9,357,538
		Exchange	315,000	12.49	12.53	3,946,900	5,662,845
	Q3	Auction	200,000	12.49	12.52	2,504,000	3,567,699
		OTC	-	-	-	-	-
	Q4	Exchange	390,000	9.07	8.81	3,434,600	4,803,998
		OTC	-	-	-	-	-
<b>2012</b>	Q1	Exchange	40,000	6.21	7.79	311,400	418,332
		OTC	-	-	-	-	-
	Q2	Exchange	400,000	4.16	4.37	1,748,100	2,306,972
		OTC	250,000	3.82	3.67	921,500	1,158,337
	Q3	Exchange	1,681,000	3.82	3.81	6,411,770	8,251,269
		OTC	-	0.18	-	-	-
	Q4	Exchange	1,614,000	2.91	2.95	5,006,550	6,224,091
		OTC	6,000	0.18	1.05	6,300	8,027
<b>2013</b>	Q1	Exchange	959,000	0.18	1.38	1,317,480	1,698,951
		OTC	1,498,000	0.16	0.13	190,280	254,006
	Q2	Exchange	-	-	-	-	-
		OTC	144,303	0.28	0.43	62,050	82,030
	Q3	Exchange	-	-	-	-	-
		OTC	300,000	0.60	0.71	212,000	286,740
	Q4	Exchange	-	-	-	-	-
		OTC	1,800,000	0.45	0.49	868,000	1,181,238
<b>2014</b>	Q1	Exchange	-	-	-	-	-
		OTC	655,000	0.31	0.36	216,900	293,664
	Q2	Exchange	-	-	-	-	-
		OTC	1,478,000	0.14	0.19	259,230	335,597
	Q3	Exchange	-	-	-	-	-
		OTC	550,594	0.16	1.37	129,644	165,652
	Q4	Exchange	-	-	-	-	-
		OTC	789,680	0.07	1.35	166,494	208,182
<b>2015</b>	Q1	Exchange	-	-	-	-	-
		OTC	1,696,880	0.02	1.70	2,886,627	3,175,996
	Q2	Exchange	-	-	-	-	-
		OTC	97,415	0.45	2.56	249,430	279,669
	Q3	Exchange	-	-	-	-	-
		OTC	574,273	0.49	0.20	113,720	130,493
	Q4	Exchange	-	-	-	-	-
		OTC	1,327,170	0.59	0.95	1,260,042	1,371,219
<b>2016</b>	Q1	Exchange	-	-	-	-	-
		OTC	72,135	0.40	4.16	299,802	327,512
	Q2	Exchange	-	-	-	-	-
		OTC	65,491	0.41	6.75	442,164	499,286
	Q3	Exchange	-	-	-	-	-
		OTC	23,988	0.39	10.93	262,117	293,240
	Q4	Exchange	-	-	-	-	-
		OTC	286,362	0.33	0.73	208,473	223,416
<b>2017</b>	Q1	Exchange	-	-	-	-	-
		OTC	40,047	0.28	13.00	520,486	562,913
	Q2	Exchange	-	-	-	-	-
		OTC	10,647	0.23	14.00	149,098	163,450
	Q3	Exchange	-	-	-	-	-
		OTC	11,039	0.20	12.71	140,325	168,532
	Q4	Exchange	-	0.21	14.26	-	-
		OTC	373,491	0.18	1.34	498,949	584,781
<b>2018</b>	Q1	Exchange	-	-	-	-	-
		OTC	29,450	0.18	14.05	413,633	506,386
	Q2	Exchange	-	-	-	-	-
		OTC	18,468	0.21	14.26	263,435	315,047
<b>Total</b>			<b>26,712,433</b>			<b>148,987,699</b>	<b>199,397,458</b>

a/ net of EUR 10,000 exchange fees

## Glossary

Term	Definition
ABED	Antigua and Barbuda Department of Environment
ADA	Agence pour le Developpement Agricole – Morocco
AGCI	Agencia de Cooperacion Internacional - Chile
ANII	Agencia Nacional de Investigación e Innovación – Uruguay
BOAD	West African Development Bank
CAF	Development Bank of Latin America
CSE	Centre de Suivi Ecologique - Senegal
DRFN	Desert Research Foundation Namibia
EPIU	Environmental Project Implementation Unit – Armenia
FDS	Fundecooperacion Para el Desarrollo Sostenible – Costa Rica
FN	Fundación Natura – Colombia
FNE	Fonds National pour l'Environnement – Benin
IDB	Inter-American Development Bank
IDDI	Dominican Institute of Integral Development
IFAD	International Fund for Agricultural Development
KEMITRAAN	Partnership for Governance Reform in Indonesia
MFEM	Ministry of Finance and Economic Management – Cook Islands
MIE	Multilateral Implementing Entity
MINIRENA	Ministry of Natural Resources – Rwanda
MOFEC	Ministry of Finance and Economic Cooperation – Ethiopia
MOPIC	Ministry of Planning and International Cooperation – Jordan
NABARD	National Bank for Agriculture and Rural Development – India
NEMA	National Environment Management Authority – Kenya
NIE	National Implementing Entity
OSS	Sahara and Sahel Observatory
PIOJ	Planning Institute of Jamaica
PROFONANPE	Fondo de Promoción de las Áreas Naturales Protegidas del Perú
RIE	Regional Implementing Entity
SANBI	South African National Biodiversity Institute
SPREP	Secretariat of the Pacific Regional Environment Programme
UCAR	Unidad para el Cambio Rural – Argentina
UN HABITAT	United Nations Human Settlements Program
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
WB	World Bank
WMO	World Meteorological Organization
WFP	United Nations World Food Program