Summary of the work of the constituted bodies during the first half of 2021

input to the

Informal Dialogue with the constituted bodies

Convened by the Presidencies and the Chairs of the Subsidiary Bodies Monday, June 14, 2021 9:00 – 10:30 CEST

Name of constituted body: Adaptation Fund Board

Relevant links on the UNFCCC website: <u>https://unfccc.int/Adaptation-Fund</u>

- Constituted Body Page: <u>https://www.adaptation-fund.org/</u>
- Workplan: <u>Work Plan for Fiscal Year 2021</u>; <u>Work Plan for Fiscal Year 2022</u>
- Recent reports of the constituted body to the relevant governing and/or subsidiary body:
 - o 2019: <u>Report of the Adaptation Fund Board to CMP 15 and CMA 2</u> and <u>Addendum</u>
 - o 2020: Report of the Adaptation Fund Board to CMP 16 and CMA 3 (2020)
 - o 2021: Report of the Adaptation Fund Board to CMP 16 and CMA 3 (2021; forthcoming)

Last meeting: Thirty-sixth Meeting of the Adaptation Fund Board (AFB36): 6-8 April 2021

Next meeting: Thirty-seventh Meeting of the Adaptation Fund Board (AFB37): October 2021

- from 11–15 October 2021, if a physical meeting is possible;
- from 18–22 October 2021, if a physical meeting is not possible, preceded by virtual meetings of the Board Committees EFC and PPRC from 11–15 October 2021.

Highlights of work undertaken in the first half of 2021:

The Adaptation Fund Board (AFB) and the AFB Secretariat successfully continued their work despite the COVID-19 pandemic by reviewing and considering an increasing amount of funding proposals and by supporting Implementing Entities (IEs) in adaptive management of projects under implementation in line with the <u>Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the fund's portfolio</u>.

The AFB approved USD 52.5 million in funding for new projects and programmes in climatevulnerable countries. These included intersessionally approving four concrete adaptation projects, in Cambodia, The Gambia, Jordan and Lebanon, and Thailand and Viet Nam, that the AFB had technically cleared in 2020 but could only approve funding for as new resources were received in the Fund following the completion of the Fund's resource mobilization campaign in December 2020 (which yielded USD 116 million in voluntary contributions towards the USD 120 million goal). It also included three concrete adaptation projects in Syrian Arab Republic, United Republic of Tanzania and Zimbabwe, and a learning grant in Kenya, which were approved by the Board at its thirty-sixth meeting in April 2021.

Apart from approving funding for projects, the AFB, during its thirty-sixth meeting, took a number of <u>significant decisions</u> that further advanced the implementation of its <u>Medium-Term Strategy</u> (2018 - 2022), including to:

- raise the country cap from USD 10 million to USD 20 million per eligible country for concrete, single-country adaptation projects and programmes, thereby doubling the amount of AF resources that can be accessed by countries;

- enable the accreditation of up to two National Implementing Entities (NIEs) per country, compared to one NIE previously, providing more options to countries for using relevant national institutions for addressing their climate adaptation priorities and strengthening the institutional capacities of more than one national institution. The AFB also encouraged countries, including those that do not yet have NIEs, to make use of Direct Access to bring potential new entities forward for accreditation and to develop adaptation projects through the modality;
- technically clear two concrete adaptation projects whose proponent is pending re-accreditation and endorse six concepts and pre-concepts;
- set aside USD 60 million for regional projects;
- launch a window for Enhanced Direct Access projects setting USD 20 million in fiscal year 2022;
- launch the Large Innovation Grants of up to USD 5 million, setting aside initially USD 30 million;
- increase Readiness Support Package grants to a maximum of USD 150,000 per country;
- adopt a vision and definition for innovation to further develop the Fund's Innovation Facility;
- to continue to actively engage with the Green Climate Fund (GCF) to pursue complementarity and coherence and take concrete steps to advance options for Fund to Fund arrangements; and
- to enhance collaboration with civil society.

During the intersessional period before the thirty-sixth meeting the Board approved

In the area of accreditation, the AFB approved the accreditation of one <u>national implementing entity</u> (NIEs), Mennonite Social Action Commission (CASM) in Honduras in February 2021 bringing the countries whose NIE has gained accreditation through the Fund's pioneering Direct Access modality to 33. In February 2021, the AFB further approved the accreditation of one <u>regional implementing entity</u> (RIE) to the Fund, namely the International Center for Integrated Mountain Development (ICIMOD) headquartered in Nepal, bringing the number of RIEs to seven, and bringing the total number of IEs to 54.

In January 2021, the Board endorsed the <u>principles for locally-led adaptation action</u> as formulated within the action track for locally-led action of the Global Commission on Adaptation (GCA).

Through an intersessional decision in March 2021, the Board also approved the Fund's <u>updated gender</u> policy and action plan.

Complementarity with other climate funds

- With the GCF, there are ongoing discussions by the two funds on the pilot scaling-up approach to promote complementarity and coherence between them, and on joint activities to promote the community of practice for direct access entities (CPDAE) and discussions on complementary in matters related to accreditation;
- During its thirty-sixth meeting, the Board also engaged in a dialogue with the Global Environment Facility's CEO and Chairperson Carlos Manuel Rodriguez on how to enhance complementarity and coherence.

Resource Mobilization

- The Fund has received its first contribution for 2021 in January from the <u>Qatar Fund for</u> <u>Development (QFFD)</u> on behalf of the State of Qatar in the amount of USD 500,000.
- As a new contributor to the Fund, Qatar is breaking ground in that it is the first non-Annex I Party to the UNFCCC to provide financial support to the Adaptation Fund.
- This contribution counts towards the Fund's resource mobilization target of USD 120 million for 2021 to meet the increasing demand for resources in the active project pipeline of about USD 280 million.