



## ADAPTATION FUND

AFB/B.31/7  
26 March 2018

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### ADAPTATION FUND BOARD

Thirty-first Meeting  
Bonn, Germany, 22-23 March 2018

### DECISIONS OF THE THIRTY-FIRST MEETING OF THE ADAPTATION FUND BOARD

#### Agenda Item 6: Report of the Accreditation Panel

a) *Reflection on the re-accreditation process*

1. Having considered the comments and recommendation of the Accreditation Panel and the information contained in document AFB/B.31/4, the Adaptation Fund Board decided to adopt the updated re-accreditation process contained in Annex I to the Report of the twenty-seventh meeting of the Accreditation Panel.

**(Decision B.31/1)**

#### Agenda Item 7: Report of twenty-second meeting of the Project and Programme Review Committee

a) *Request for change of programme outcome, outputs and related indicators: Jamaica (PIOJ)*

2. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To approve the change in outcome, outputs and related indicators for the programme “Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security”, as requested by the Planning Institute of Jamaica (PIOJ) and contained in the revised proposal presented as Annex 5 of document AFB/PPRC.22/4; and

(b) To request the secretariat to draft an amendment to the agreement between the Board and PIOJ to reflect the changes made under subparagraph (a) above.

**(Decision B.31/2)**

b) *Report of the secretariat on initial screening/technical review of the submitted project and programme proposals: Issues identified during the review process*

3. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To merge the two pipelines for technically cleared regional proposals established in decision B.28/1(b)(ii), so that starting in fiscal year 2019 the provisional amount of funding for regional proposals would be allocated without distinction between the two categories originally described in document AFB/B.25/6/Rev.2, and that the funding of regional proposals would be established on a 'first come, first served' basis; and

(b) To include in its work programme for fiscal year 2019 provision of an amount of US\$ 60 million for the funding of regional project and programme proposals, as follows:

(i) Up to US\$ 59 million to be used for funding regional project and programme proposals in the two categories of regional projects and programmes: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million; and

(ii) Up to US\$ 1 million for funding project formulation grant requests for preparing regional project and programme concepts or fully-developed project and programme documents.

**(Decision B.31/3)**

c) *Review of project and programme proposals*

### **Single-country projects and programmes**

#### **Concept proposals**

*Proposals from National Implementing Entities (NIEs)*

*Regular proposals:*

Armenia: Strengthening land-based adaptation capacity in communities adjacent to protected areas in Armenia (Project concept; Environmental Project Implementation Unit of the Ministry of Nature Protection of Armenia; ARM/NIE/Forest/2017/1; US\$ 2,506,000)

4. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To endorse the project concept, as supplemented by the clarification responses provided by the Environmental Project Implementation Unit (EPIU) to the request made by the technical review;

(b) To request the secretariat to notify EPIU of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The fully-developed project proposal should provide detailed clarity on the link between adaptation, or building resilience, and the installation of solar water heaters in the clinic and kindergarten;

(ii) The fully-developed project proposal should provide gender-disaggregated identification of project beneficiaries in line with the environmental and social policy (ESP) and gender policy (GP) of the Fund, including an explanation of how identified social and economic benefits would empower women;

(iii) In addition to the already identified strategies and policies, the fully-developed project proposal should provide a detailed explanation of how the project aligns and complies with the Third National Communication on Climate Change and the Nationally Determined Contribution of the Republic of Armenia;

(iv) The fully-developed project proposal should demonstrate how the stakeholder consultations involve all key stakeholders and vulnerable groups and should include gender considerations in compliance with the Fund's ESP and GP; and

(v) The fully-developed project proposal should further define project activities and provide the necessary assessment of environmental and social risks, taking management or mitigation measures into account and including gender considerations for all fully identified activities, in line with the Fund's ESP and GP;

(c) To approve the project formulation grant of US\$ 30,000;

(d) To request EPIU to transmit the observations under subparagraph (b) to the Government of Armenia; and

(e) To encourage the Government of Armenia to submit, through EPIU, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

**(Decision B.31/4)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Lesotho: Improving Adaptive Capacity of vulnerable and food insecure populations in the low-lying areas of Lesotho (Project concept; World Food Programme; LSO/MIE/Food/2018/1; US\$ 9,801,608)

5. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To endorse the project concept, as supplemented by the clarification response provided by the World Food Programme (WFP) to the request made by the technical review;

(b) To request the secretariat to notify WFP of the observations in the review sheet annexed to the notification of the Board's decision as well as the following observations:

- (i) The proposal should discuss in more detail, by the fully-developed project proposal stage, how the project will empower women and reduce their vulnerability to climate risks and further develop the stated gender differentiated approach for asset creation and income generation activities;
  - (ii) Assuming that the use of unidentified sub-projects (USPs) is justified, a project-wide environmental and social management plan (ESMP) is required, providing the framework for all the environmental and it is incumbent on the IE to demonstrate that within the ESMP framework the use of the IE's environmental and social management system tools are acceptable, and that they meet all the requirements of the ESMP; and
  - (iii) Although the project categorization is adequate, in the fully-developed project proposal the IE will have to provide a risk-based justification in compliance with the ESP;
- (c) To request WFP to transmit the observations under subparagraph (b) to the Government of Lesotho; and
- (d) To encourage the Government of Lesotho to submit through WFP a fully-developed project proposal that would address the observations under subparagraph (b) above.

**(Decision B.31/5)**

Mozambique: National natural capital programme to harness resilient ecological infrastructure for systemic climate adaptation of cities, communities and industries, with blended finance and women/youth entrepreneurs (Project concept; African Development Bank; MOZ/MIE/Infr/2018/1/PC; (US\$ 9,999,400)

6. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To not endorse the project concept, as supplemented by the clarification responses provided by the African Development Bank (AfDB) to the request made by the technical review;
- (b) To suggest that AfDB reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should clearly assess and describe climate risks that are threatening Niassa and Cabo Delgado provinces;
  - (ii) Based on that assessment, the proposal should provide the proposed scope of intervention and the expected adaptation benefits for this project, and demonstrate their cost effectiveness;
  - (iii) The proposal should better explain the focus on private sector involvement and entrepreneurship and how the blending of funds would be compatible with the full cost of adaptation reasoning of the Fund;

- (iv) The proposal should demonstrate the commitment of the Government of Mozambique to the compatibility of the proposed institutional arrangements for the management of resilient ecological infrastructure networks with the role of existing government institutions managing the protected area networks and productive sectors covered by these networks; and
  - (v) The proposal should ensure compliance with the environmental and social policy and gender policy of the Fund; and
- (c) To request AfDB to transmit the observations under subparagraph (b) to the Government of Mozambique.

**(Decision B.31/6)**

Uganda: Strengthening climate change adaptation of small towns and peri-urban communities  
(Project concept; African Development Bank; UGA/MIE/Water/2018/1; (US\$ 2,249,000)

7. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To not endorse the project concept, as supplemented by the clarification responses provided by the African Development Bank (AfDB) to the request made by the technical review;
- (b) To suggest that AfDB reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should provide more clarity on the distinction between the stated social benefits and economic benefits, and in so doing, clarify the business case for the proposed commercial tree nursery and provide further clarification on the proposed community training to start businesses;
  - (ii) The proposal should explain why the selected scope and approach would result in the proposed project being cost-effective;
  - (iii) The proposal should identify relevant building codes, licenses, construction permits, authorizations, etc., with which the proposed project may need to comply, as applicable, in order to meet the relevant national technical standards in compliance with the Fund's environmental and social policy; and
  - (iv) The proponent should complete the table to identify potential environmental and social impacts and risks correctly and include a classification of the project category based on the initial risk assessment and in line with the Fund's environmental and social policy; and

(c) To request AfDB to transmit the observations under subparagraph (b) to the Government of Uganda.

**(Decision B.31/7)**

### **Fully-developed proposals**

*Proposals from National Implementing Entities (NIEs)*

*Small-size proposals:*

Federated States of Micronesia: Practical solutions for reducing community vulnerability to climate change in the Federated States of Micronesia (Fully-developed project document; Micronesia Conservation Trust; FSM/NIE/Multi/2016/2; US\$ 970,000)

8. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To approve the project document, as supplemented by the clarification response provided by the Micronesia Conservation Trust (MCT) to the request made by the technical review;
- (b) To approve the funding of US\$ 970,000 for the implementation of the project, as requested by MCT; and
- (c) To request the secretariat to draft an agreement with MCT as the National Implementing Entity for the project.

**(Decision B.31/8)**

*Regular proposals:*

Cook Islands: Akamatutu'anga kia Tukatau te Ora'anga ite Pa Enea" Pa Enea Action for Resilient Livelihoods (PEARL) (Fully-developed project document; Ministry of Finance and Economic Management; COK/NIE/Multi/2017/1; US\$ 2,999,125)

9. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To approve the project document, as supplemented by the clarification response provided by the Ministry of Finance and Economic Management (MFEM) to the request made by the technical review;
- (b) To approve the funding of US\$ 2,999,125 for the implementation of the project, as requested by MFEM; and

- (c) To request the secretariat to draft an agreement with MFEM as the National Implementing Entity for the project.

**(Decision B.31/9)**

*Proposals from Regional Implementing Entities (RIEs)*

*Regular proposals:*

Ecuador: Increasing adaptive capacity of local communities, ecosystems and hydroelectric systems in the Toachi-Pilatón watershed with a focus on Ecosystem and Community Based Adaptation and Integrated Adaptive Watershed Management (Fully-developed project document; *Banco de Desarrollo de America Latina*; ECU/RIE/Rural/2016/1; US\$ 2,489,373)

10. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To not approve the fully-developed project proposal, as supplemented by the clarification response provided by *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;

(b) To suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The proposal should better clarify how the priority restoration areas were selected and determined for forest conservation activities, bearing in mind the livelihoods of the most vulnerable communities;

(ii) The proposal should strengthen the description on the project sustainability and financial model of the investment fund; and

(iii) The proposal should ensure full compliance with the environmental and social policy of the Fund; and

(c) To request that CAF transmit the observations under subparagraph (b) to the Government of Ecuador.

**(Decision B.31/10)**

Togo: Increasing the resilience of vulnerable communities in the agriculture sector of Mandouri in northern Togo (Fully-developed project document; *Banque Ouest Africaine de Développement*; TGO/RIE/Agri/2016/1; (US\$ 10,000,000)

11. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To not approve the project document, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;
- (b) To suggest that BOAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should ensure consistency throughout the project document in all risks identified and in the findings of risk assessment and impacts, and in particular for the principle of avoiding or minimizing involuntary resettlement. The proposal should also update the relevant sections throughout the project document for consistency;
  - (ii) The proposal should describe how the project will meet the identified codes and international standards, as relevant; and
  - (iii) The proposal should provide detailed information on the measures in place to identify and address environmental and social risks for unidentified subprojects, in line with the environmental and social policy and gender policy of the Fund; and
- (c) To request BOAD to transmit the observations under subparagraph (b) to the Government of Togo.

**(Decision B.31/11)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Cambodia: Climate change adaptation through small-scale and protective infrastructure interventions in coastal settlements of Cambodia (Fully-developed project document; United Nations Human Settlements Programme; KHM/MIE/Urban/2017/1; US\$ 5,000,000)

12. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To not approve the fully-developed project proposal as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made following the technical review;
- (b) To request the secretariat to notify UN-Habitat of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should clarify the link between the proposed activities and improved livelihoods and ecotourism development;
  - (ii) The proposal should ensure that funding of and responsibility for the operation and maintenance of all infrastructure interventions is clearly defined and agreed upon;
  - (iii) The proposal should clarify if and how the project could be an opportunity to support livelihoods through creating employment in designing, constructing, and



maintaining resilient housing, water, and sanitation assets for the benefit of other communes;

(iv) The proposal should clarify and provide evidence of the consultations that were held of the project beneficiaries, particularly at community level; and

(v) The proposal should ensure that the environmental and social risks identification and management process for the identified adaptation measures is clearly outlined in the environmental and social management plan of the project, including adequate allocation of roles for implementation arrangements; and

(c) To request UN-Habitat to transmit the observations under sub-paragraph (b) to the Government of Cambodia.

**(Decision B.31/12)**

Cameroon: Increasing local communities' resilience to climate change through youth entrepreneurship and integrated natural resources management (Fully-developed project document; International Fund for Agricultural Development; CAM/MIE/Rural/2018/1; US\$ 9,982,000)

13. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To not approve the fully-developed project proposal, as supplemented by the clarification response provided by the International Fund for Agricultural Development (IFAD);

(b) To suggest that IFAD reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The project proposal should clarify the content/nature of the activities under outputs 1.2 (Land and natural resources management provided to increase the resilience to climate change) and 3.1 (Investment Fund established and managed to invest in sustainable agroforestry and renewable energy enterprises for youth and other marginalized groups) and how they will be achieved;

(ii) The proposal must provide disaggregated beneficiary data prior to approval (women, youth, indigenous peoples and internally displaced people);

(iii) The proposal needs to demonstrate that risk identification is evidence-based, including negative impacts for natural habitats;

(iv) Where adaptation actions are expected to generate mitigation benefits, it should be so noted in the proposal;

(v) The proposal needs to clarify the project activities in IFAD Social, Environmental and Climate Assessment Procedures (SECAP) in the environmental and social management plan (ESMP), as the project design seems to have been substantially

modified between the initial and final review by the introduction of a US\$ 4 million investment fund;

(vi) The proposal needs to clarify the alignment of the ESMP with the modified project design. It needs to build on the environmental and social policy risks that have been identified, and align with the 15 principles of the environmental and social policy;

(vii) The proposal needs to revise and include a budget descriptions column providing details on activity subtotals for, inter alia, budgeted operating expenses, sub-contracts, and national experts. Additionally, activities that have been budgeted for in Table 19 (Project Budget) are missing detailed budget notes and chronologically planned expenditures; and

(viii) All tables should be reviewed to ensure clarity and correctness;

(c) To request IFAD to transmit the observations under subparagraph (b) above to the Government of Cameroon; and

(d) To encourage the Government of Cameroon to submit, through IFAD, a re-formulated project proposal that would address the observations under subparagraph (b) above.

**(Decision B.31/13)**

Iraq: Building Resilience of the Agriculture Sector to Climate Change in Iraq (Fully-developed project proposal; International Fund for Agricultural Development; IRQ/MIE/Agri/2017/1; US\$ 9,999,660).

14. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To approve the fully-developed project document as supplemented by the clarification response provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;

(b) To approve the funding of US\$ 9,999,660 for the implementation of the project, as requested by IFAD; and

(c) To request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project. The agreement should include a commitment from IFAD that:

(i) IFAD will apply its environmental and social management system and that of the executing entity to the full, covering all the activities funded by the Fund, while at the same time developing an overall environmental and social management plan through which IFAD will identify for each activity the requirements for compliance with the Fund's environmental and social policy (ESP) and document any insurmountable obstacles and constraints; and

(ii) Above and beyond the regularly required audits, IFAD will organize an annual external and independent audit of the project's performance in terms of compliance with

the Fund's environmental and social safeguards by a private auditor familiar with the ESP. In addition to past performance, the audit will include the annual work plan for the coming year and any environmental and social safeguard measures the implementing entity has included. Adoption of the audit recommendations will be a condition for the disbursement of funding following the submission and clearance of the project performance report.

**(Decision B.31/14)**

Mongolia: Flood resilience in Ulaanbaatar Ger areas - Climate change adaptation through community-driven small-scale protective and basic-services interventions (Fully-developed project document; United Nations Human Settlements Programme; MNG/MIE/DRR/2017/1; US\$ 4,495,235)

15. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To not approve the fully-developed project proposal, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) To request the secretariat to notify UN-Habitat of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should ensure that for the identified adaptation measures the environmental and social risks identification and management process is clearly outlined in the environmental and social management plan of the project, including adequate allocation of roles for implementation arrangements, in line with the Fund's environmental and social policy; or
  - (ii) Alternatively, the design of the project activities should be further undertaken to the point where it is possible to comprehensively identify the environmental and social risks and formulate any management measures that are required, in line with the Fund's environmental and social policy; and
- (c) To request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Mongolia.

**(Decision B.31/15)**

d) *Review of regional project and programme proposals*

**Pre-concept proposals**

*Proposals from Multilateral Implementing Entities (MIEs)*

Albania, the Former Yugoslav Republic of Macedonia and Montenegro: Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans (Project pre-concept; United Nations Development Programme; EE/MIE/DRR/2018/PPC/1; US\$ 9,927,750).

16. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) To request the secretariat to notify UNDP of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The concept document should better assess the scope and feasibility of the proposed interventions to avoid any risks of setting overambitious objectives;
  - (ii) The concept should provide further information on how the project deliverables will build on and leverage relevant key deliverables of the project of the Global Environment Facility (GEF) titled "Enabling Transboundary Cooperation and Integrated Water Resources Management in the Extended Drin River Basin";
  - (iii) The concept document should assess the risk of the dependencies between the GEF project and the proposed project;
  - (iv) The concept document should seek experience from and establish links with the GEF supported project titled "Danube River Basin Hydromorphology and River Restoration (DYNA)";
  - (v) The concept document should include further description of the approach to flood hazard and risk modelling, including the scenarios that will be used and the rationale for the choices made;
  - (vi) The cost effectiveness of the project should be further demonstrated at the concept stage; and
  - (vii) The concept document should present a knowledge management and learning component to capture and disseminate the project's results, and such activities should be reflected in the project's expected outcomes or outputs;
- (c) To request UNDP to transmit the observations under subparagraph (b) to the Governments of Albania, the Former Yugoslav Republic of Macedonia and Montenegro; and

(d) To encourage the Governments of Albania, the Former Yugoslav Republic of Macedonia and Montenegro to submit through UNDP a project concept that would address the observations under subparagraph (b) above.

**(Decision B.31/16)**

Belize and Guatemala: Increasing climate resilience through restoration of degraded landscapes in the Atlantic region of Central America (Project pre-concept; United Nations Environment Programme; LAC/MIE/DRR/2018/PPC/1; US\$ 10,009,125)

17. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To not endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Environment Programme (UN Environment) to the request made by the technical review;

(b) To suggest that UN Environment reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The rationale for the regional approach should be explained, and a justification should be provided for limiting the project to only two countries, out of the three countries sharing the same issues and target communities in the project area;

(ii) The nature and scope of the proposed interventions should be better described in order to assess their adaptation benefits;

(iii) The pre-concept document should clarify how the project would bring adaptation benefits to the communities including through improvement of their livelihoods, or the protection of their natural habitat from climate hazards; and

(iv) The proposal should clarify the level of consultation that was undertaken to inform the design of the project; and

(c) To request UN Environment to transmit the observations referred to in subparagraph (b) to the Governments of Belize and Guatemala.

**(Decision B.31/17)**

Chile, Colombia, Peru: Enhancing adaptive capacity of Andean communities through climate services (Project pre-concept; World Meteorological Organization); LAC/MIE/DRR/2018/2; US\$ 7,398,000).

18. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project pre-concept, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) To request the secretariat notify WMO of the observations in the review sheet annexed to the notification of the Board's decision as well as the following observations:
  - (i) At the concept stage, the proponent should elaborate or include information regarding the already existing or to be signed agreement to host and maintain the regional data sharing mechanism in the long-term; and
  - (ii) At the concept stage information on consultations at the community level should be also be provided, taking into account and incorporating considerations from the most vulnerable groups, including indigenous peoples, women and youth, if possible.
- (c) To approve the project formulation grant of US\$ 19,980;
- (d) To request WMO to transmit the observations under subparagraph (b) to the Governments of Chile, Colombia and Peru; and
- (e) To encourage the Governments of Chile, Colombia and Peru to submit through WMO a project concept that would address the observations under subparagraph (b) above.

**(Decision B.31/18)**

## **Concept proposals**

*Proposal from Regional Implementing Entity (RIE)*

Argentina and Uruguay: Climate change adaptation in vulnerable coastal cities and ecosystems of the Uruguay River (Project concept; *Banco de Desarrollo de America Latina*; LAC/RIE/DRR/2017/1; US\$ 13,999,996)

19. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project concept, as supplemented by the clarification response provided by *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- (b) To request the secretariat to notify CAF of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The fully-developed project proposal should provide further information on how the re-assignment of the flood-prone areas will increase adaptive capacity of communities living around those areas;
  - (ii) The fully-developed project proposal should provide a more detailed presentation of the expected benefits including the expected number of beneficiaries;
  - (iii) The fully-developed project proposal should further demonstrate the cost effectiveness of the proposed interventions, including through the regional approach;
  - (iv) The fully-developed project proposal should identify all the national technical standards that are relevant to the project;
  - (v) The fully-developed project proposal should elaborate on how non-climatic factors, that might jeopardize the project's outcomes or sustainability, are addressed through parallel initiatives, including environmental and anthropogenic factors;
  - (vi) In the fully-developed project proposal, the consultation of vulnerable groups and gender considerations should be systematized and documented, and their inputs in the design of the proposal demonstrated; and
  - (vii) The fully-developed project proposal should ensure that the proposed activities have been assessed for their potential environmental and social risks, and adequate mitigation measures proposed, in compliance with the environmental and social policy of the Fund;
- (c) To approve the project formulation grant request for US\$ 100,000;
  - (d) To request CAF to transmit the observations under subparagraph (b) to the Governments of Argentina and Uruguay; and
  - (e) To encourage the Governments of Argentina and Uruguay to submit through CAF a fully-developed project proposal that would also address the observations under subparagraph (b) above.

**(Decision B.31/19)***Proposals from Multilateral Implementing Entities (MIEs)*

Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo: Integrating Flood and Drought Management and Early Warning for Climate Change Adaptation in the Volta Basin (Project concept; World Meteorological Organization; AFR/MIE/DRR/2017/2; US\$ 7,920,000)

20. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To endorse the project concept, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;

(b) To request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:

(i) The fully-developed project proposal should give specific attention to the flood-pulsed nature of the Volta river-wide ecosystem and explicitly identify the maintenance of the natural hydrological cycle of the Volta river system as an overall project objective to mitigate and manage environmental and social risks; and

(ii) The fully-developed project proposal should provide additional information on the sustainability costs of the achievements of the project (early warning system maintenance costs) once it is completed and a commitment by the Governments of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo to ensure the sustainability of those achievements regardless of the availability of other sources of funding;

(c) To approve the project formulation grant of US\$ 80,000;

(d) To request WMO to transmit the observations under subparagraph (b) above to the Governments of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo; and

(e) To encourage the Governments of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo to submit, through WMO, a fully-developed project proposal.

**(Decision B.31/20)**

Côte d'Ivoire and Ghana: Improved resilience of coastal communities in Côte d'Ivoire and Ghana  
(Project concept, United Nations Human Settlements Programme; AFR/MIE/DRR/2017/1; US\$ 14,000,000)

21. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) To not endorse the project concept, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;

(b) To suggest that UN-Habitat reformulate the project concept, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The proposal should clarify how the development of spatial/land-use planning strategies at district level will be linked with national planning, and if there is any co-ordination between the two countries;

(ii) The proposal should provide more detailed information on how the projects at two different scales (interdistrict versus community) will be executed, and what are the benefits of having initiatives of such different scales in one project;



- (iii) The proposal should provide more detailed information on establishing the “private sector alliance” and a realistic assessment of role and expectations from such an alliance;
  - (iv) The proposal should indicate how selections of consultants and firms is planned to be carried out; and
  - (v) The proposal should clearly outline linkages and synergies with all relevant potentially overlapping projects or programmes, and indicate how the experiences from similar interventions implemented in the region have been used to influence the project design;
- (c) To not approve the project formulation grant of US\$ 100,000; and
  - (d) To request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Côte d’Ivoire and Ghana.

**(Decision B.31/21)**

### **Fully-developed proposals**

#### *Proposals from Regional Implementing Entities (RIEs)*

Chile and Ecuador: Reducing climate vulnerability in urban and semi urban areas in cities in Latin America (Fully-developed project document; *Banco de Desarrollo de America Latina*; LAC/RIE/DRR/2015/1; US\$ 13,910,400)

22. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

- (a) To not approve the project document, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- (b) To suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
  - (i) The proposal should explain how technical staff (engineers; engineer trainers) could be integrated in the training programmes;
  - (ii) The stakeholder analysis should present more clearly how vulnerable groups were involved in the consultations in Chile;
  - (iii) The proposal should identify the risks of unnecessary environmental and social harms in line with the Fund’s environmental and social policy (ESP), present the evidence-based findings of impact assessments for those principles for which risks have been identified, and formulate management or mitigation measures accordingly, in a manner commensurate with the risks; and

- (iv) The proposal should include implementation arrangements for the environmental and social management measures that are required to comply with the ESP, reflecting a consolidated and integrated environment and social management plan; and
- (c) To request CAF to transmit the observations under subparagraph (b) to the Governments of Chile and Ecuador.

**(Decision B.31/22)**

- e) *Update on the scope of application of the full cost of adaptation reasoning criterion*

23. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board (the Board) decided to request the secretariat to prepare an analysis of the full-cost-of-adaptation-reasoning criterion (document AFB/PPRC.22/25), revised in accordance with the medium-term strategy implementation plan contained in the Annex I to document AFB/B.31/5/Rev.1 and considering the views of governments of developing countries and relevant stakeholders of the Adaptation Fund on the issue, and to submit the analysis to the PPRC at its twenty-fourth meeting.

**(Decision B.31/23)**

- f) *Cost-effectiveness of options for arranging post-implementation learning and impact evaluation of Adaptation Fund projects and programmes*

24. Having considered the comments and recommendation of the Project and Programme Review Committee (PPRC) regarding the two options described in document AFB/PPRC.22/26 for conducting ex-post evaluations of completed Adaptation Fund projects and programmes, the Adaptation Fund Board (the Board) decided:

- a) To convey the assessment of the two options to the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), once it is operational, which will subsequently report to the Board on its preferred option; and
- b) To request the AF-TERG to take into account the above discussion in the PPRC.

**(Decision B.31/24)**

### **Agenda Item 8: Report of twenty-second meeting of the Ethics and Finance Committee**

- a) *Implications of the establishment of the Fund's Evaluation Function*

25. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board (the Board) decided:

- (a) To approve the terms of reference of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) as contained in Annex III to the report of the Board (AFB/B.31/8);

- (b) To approve the amendment to the terms of reference of the EFC as contained in Annex IV to the report of the Board (AFB/B.31/8);
- (c) To establish the AF-TERG Recruitment Working Group composed of the following Board members and alternates: Mr. Ibila Djibril (Benin, Africa), Mr. Marc-Antoine Martin (France, Annex I Parties), Ms. Barbara Schäfer (Germany, Annex I Parties) and Ms. Margarita Caso (Mexico, Non-Annex I Parties); and
- (d) To request the AF-TERG Recruitment Working Group, with the support of the secretariat, to undertake the necessary arrangements for the recruitment of the AF-TERG chair and four members intersessionally between the thirty-first and thirty-second meetings of the Board and to report back to the EFC at its twenty-third meeting.

**(Decision B.31/25)***b) Efficiency and effectiveness of the accreditation process*

26. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board (the Board) decided:

- (a) With respect to reviewing existing policies or establishing new policies for the accreditation process:
  - (i) To request the secretariat to prepare a document on a “fast-track” accreditation process for entities accredited with the Green Climate Fund and to present it to the Board at its thirty-second meeting;
  - (ii) To request the Accreditation Panel to consider whether there is a need to introduce accreditation standards related to anti-money-laundering / countering the financing of terrorism, and if it determines that there is, to identify which capacities should exist within the implementing entity applicant and which capacities of other institutions could be relied on, and to present a proposal on the matter to the EFC at its twenty-third meeting;
  - (iii) With respect to “dormant” applications, meaning applications that have been inactive for six months:
    - a. To request the secretariat to inform the designated authority (DA) of the entity’s inactivity in pursuing the accreditation process; and
    - b. To request the secretariat to remove the application from the accreditation pipeline after four consecutive six-month periods of inactivity; and
  - (iv) To encourage national implementing entity applicants to develop their capacities by working jointly on projects implemented by a multilateral or regional implementing entity;
- (b) With respect to strengthening the accreditation process:

- (i) To request the secretariat to prepare a guideline or tool for focal points of implementing entity applicants and to communicate to DAs the information note for DAs on selecting a potential national implementing entity to avoid potential delays; and
- (ii) To encourage the secretariat:
  - a. To provide implementing entity applicants with enhanced assistance at an earlier stage of the accreditation process, including an in-country visit to the entity, possibly sharing the costs with the implementing entity applicant; and
  - b. To explore the possibility of arranging, when possible, ceremonial or celebratory events to mark accreditation; and
- (c) With respect to simplifying the accreditation process:
  - (i) To request the secretariat:
    - a. To encourage the Accreditation Panel to ensure that their review of accreditation applications is in line with the approved accreditation standards and to explore ways to minimize duplication in the accreditation review process, such as streamlining reporting by the panel; and
    - b. To explore ways to reduce language barriers for implementing entity applicants preparing accreditation applications;
  - (ii) To request the Accreditation Panel to make an early determination on whether a national implementing entity applicant is eligible for the streamlined accreditation process approved by decision B.25/17; and
  - (iii) To encourage the Accreditation Panel to consider third-party assessments on project performance and the capacity of an implementing entity applicant as complementary information.

**(Decision B.31/26)**

c) *Financial issues*

*Investment income*

27. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), and in accordance with decision B.30/40, the Adaptation Fund Board decided to approve the proposed amendments to the standard legal agreement aimed at addressing the issue of investment income earned by implementing entities, as contained in annex I to document AFB/EFC.22/5.

**(Decision B.31/27)**

*Work plan for the fiscal year 2019*

28. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board (the Board) decided to approve the draft secretariat work schedule and proposed work plan for fiscal year 2019 as contained in document AFB/EFC.22/7.

**(Decision B.31/28)**

*Administrative budgets of the Board and secretariat and the trustee for the fiscal year 2017*

29. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board (the Board) decided:

(a) To approve, from the resources available in the Adaptation Fund Trust Fund, the proposed budget of US\$ 5,101,193 to cover the costs of the operations of the Board and secretariat over the period 1 July 2018 to 30 June 2019, comprising US\$ 3,930,603 for the secretariat administrative services (the main secretariat budget), US\$ 546,040 for accreditation services and US\$ 624,550 for the Readiness Programme;

(b) To approve, from the resources available in the Adaptation Fund Trust Fund, the proposed budget of US\$ 382,272 to cover the costs of the start-up operations of the evaluation function of the Adaptation Fund over the period 1 July 2018 to 30 June 2019;

(c) To approve, from the resources available in the Adaptation Fund Trust Fund, the proposed budget of US\$ 586,250 for trustee services to be provided to the Adaptation Fund over the period 1 July 2018 to 30 June 2019; and

(d) To authorize the trustee to transfer the amounts in subparagraphs (a) and (b) to the secretariat and the amount in subparagraph (c) to the trustee.

**(Decision B.31/29)**

*d) Second phase of the overall evaluation of the Fund*

30. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board (the Board) decided:

(a) To take note of the draft report of the second phase of the overall evaluation of the Adaptation Fund as contained in document AFB/EFC.22/9 and the discussion on the matter at the twenty-second meeting of the EFC;

(b) To request the Independent Review Panel to supervise the finalization of the report, taking into account the discussion that took place at the twenty-second meeting of the EFC;

(c) To request the secretariat to circulate the final report to the Board; and

(d) To request the Chair of the Board, supported by the secretariat, to prepare a management response to the second phase of the overall evaluation of the Fund for

consideration by the Board during the intersessional period between its thirty-first and thirty-second meetings.

**(Decision B.31/30)**

### **Agenda Item 9: Report of the Resource Mobilization Task Force**

31. Having considered the comments and recommendation of the Resource Mobilization Task Force, the Adaptation Fund Board (the Board) decided:

- (a) To approve a new resource mobilization target of US\$ 90 million per year for the biennium 2018-2019; and
- (b) To request the secretariat to assess the feasibility of opening “fundraising drives” associated with specific themes and topics in order to complement the overall resource mobilization campaign.

**(Decision B.31/31)**

### **Agenda Item 10: Issues remaining from the twenty-ninth meeting**

a) *Implementation plan for the Medium-term strategy for the Fund*

32. Having considered the draft implementation plan for the medium-term strategy (MTS) for the Adaptation Fund (the Fund) contained in the Annex I to document AFB/B.31/5/Rev.1, the Adaptation Fund Board (the Board) decided:

- (a) To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);
- (b) To request the secretariat:
  - (i) To facilitate the implementation of the plan during the period 2018–2022;
  - (ii) To include the administrative budget for implementing the plan in the secretariat’s annual administrative budget during the strategy period, for consideration by the Fund’s Ethics and Finance Committee;
  - (iii) 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 Annex I to document AFB/B.31/5/Rev.1, with input from the Board’s committees;
  - (iv) Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund’s operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and

(v) To monitor the progress of implementation of the MTS 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 work plan; and

(c) To request the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) to undertake a mid-term review of the medium-term strategy and the plan and report to the Board at its thirty-sixth meeting.

**(Decision B.31/32)**

*b) Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund*

33. The Board went into a closed session to discuss further potential linkages with the Green Climate Fund and to come to a decision on the matter.

34. Recalling decision B.30/43 and taking into consideration the subsequent correspondence between the secretariats of the Adaptation Fund Board (the Board) and the Green Climate Fund (GCF), the Board decided:

(a) To request the Chair and Vice-Chair, assisted by the secretariat to continue pursuing active engagement with the Green Climate Fund (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 to the United Nations Framework Convention on Climate Change, in May 2018, in Bonn, Germany;

(b) To request the secretariat:

(i) 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

(ii) 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, as contained in document GCF/B.17/08; and

(c) To request the Chair and secretariat to report to the Board at its thirty-second meeting on the progress made in the activities described in subparagraphs (a) and (b).

**(Decision B.31/33)**

**Agenda Item 14: Election of outstanding officers**

35. Following the opening of the meeting on the morning of 19 March 2018, the Board took up agenda item 14 in order to elect officers required for the meetings of the EFC and PPRC.

36. At its opening session, on the morning of 20 March 2018, the Adaptation Fund Board decided:
- (a) To elect Ms. Patience Damphey (Ghana, Non-Annex I Parties) as Vice-Chair of the Ethics and Finance Committee; and
  - (b) To elect Ms. Aida Velasco Munguira (Spain, Western European and Others Group) as Vice-Chair of the Project and Programme Review Committee.

**(Decision B.31/34)**

37. At a subsequent session, on 23 March 2018, the Adaptation Fund Board decided to elect Mr. Naresh Sharma (Nepal, Least Developed Countries) as Chair of the Project and Programme Review Committee.

**(Decision B.31/35)**