ADAPTATION FUND

AFB/B.43/10
16 September 2024

Adaptation Fund Board
Forty-third meeting
Bonn, Germany, 10-11 October 2024

Agenda item 10 b)

OPTIONS FOR REDUCING THE CARBON FOOTPRINT OF THE ADAPTATION FUND

Background

1. At the thirty-ninth meeting of the Adaptation Fund Board (the Board), the topic of the carbon footprint of the Fund's operations was introduced by a Board member, and the Board agreed to pursue its discussion on the matter at its fortieth meeting, at which time the secretariat would provide relevant and available information such as, related to the emissions associated with the office space and travel of the secretariat and the travel of the Board, as well as elaborating on the challenges of calculating emissions of the projects.

2. At the fortieth meeting of the Board, the secretariat presented document AFB/B40/Inf.6 to provide an overview of the carbon footprint of the administrative functions of the Adaptation Fund. Following the discussion on the matter, the Board decided:

(a) To take note of the information in document AFB/B.40/Inf.6 on the carbon footprint of the Adaptation Fund;

(b) To request the secretariat to consider possible options for reducing the carbon footprint of the Adaptation Fund and to report to the Board on the matter at its forty-first meeting.

(**Decision B.40/79**)

3. Pursuant to decision B.40/79, the secretariat presented possible options for reducing the carbon footprint of the Fund contained in AFB/B.41/6 for the Board consideration at its forty-first meeting. The Board discussed the presented options, but no consensus was reached on this agenda item at the forty-first meeting. Therefore, the Board decided to continue the discussion on the carbon footprint of the Fund at the forty-second meeting of the Board.

Having considered the information contained in document AFB/B.41/6, the Adaptation Fund Board (the Board) decided to continue the discussion on the carbon footprint of the Fund at the forty-second meeting of the Board.

(Decision B.41/35)

4. At the forty-second meeting of the Board, the secretariat presented document AFB/B.42/10, which was the same information contained in document AFB/B.41/6, with a slightly edited recommendation building on the Board discussion on this item during its forty-first meeting, but with no substantial changes. Following the continued discussion on the matter, the Board made a decision as follows.

Having considered the information contained in document AFB/B.42/10 and following best practice at an international level, the Adaptation Fund Board (the Board) decided to request the secretariat:

(a) To present a report on the carbon footprint of the secretariat for Scopes 1, 2 and 3 (as presented in document AFB/B.42/10) based on the methodologies from the Greenhouse Gas Protocol[1], in conjunction with the annual performance report, to the Board for consideration, and to aim to make the report more comprehensive as more data becomes available, including the estimated carbon footprint of Board meetings;

(b) To do a comparative analysis on practices, with the Global Environment Facility and the Green Climate Fund, methodologies and cost estimations for estimating the carbon footprints of projects and to the Board for consideration at its forty-third meeting.

(Decision B.42/55)

5. Pursuant to Decision B.42/55, the secretariat is presenting a report on the carbon footprint of the secretariat as contained in Annex to this document and sharing the findings on the practices of the Global Environment Facility (GEF) and Green Climate Fund (GCF) related to the carbon footprints of their funded projects under implementation.

Findings on GEF and GCF related to the carbon footprints of their funded projects

6. The secretariat conducted a desk review of whether these organizations have practices or initiatives in place to measure or reduce carbon footprint associated with their funded projects and programmes under implementation and found none. This was also confirmed by interviewing secretariat staff of both organizations.

7. Both organizations provide funding for climate change mitigation projects. For such projects, both organizations have guidelines to harmonize how greenhouse gas emissions are calculated and reported for the purpose of accounting the outcomes and impacts of mitigation measures. However, neither organization has practices or initiatives to measure the total carbon footprint of the projects being implemented by their agencies such as greenhouse gas (GHG) emissions from air or land travel of project teams or shipping of project equipment.

8. The GEF has the "*Guidelines for greenhouse gas emissions accounting and reporting for GEF projects*" that recommends GHG emission reduction calculation methodologies for GEF's climate change mitigation projects, which GEF Agencies have to use to assess ex-ante the expected climate mitigation impact. The GEF also requests the agencies to use a core indicator to capture reduction of GHG from its mitigation projects and set an overall target for an investment period. But it does not request the agencies to measure or report on GHG emissions from the overall project implementation.

9. Similarly, the GCF only measures the GHG emissions that are reduced or avoided by the GCF funded mitigation activities based on existing, peer-reviewed methodologies. Examples of

[1] All methodologies are based on guidance from the Greenhous Gas Protocol with emission factors taken from governmental and international organizations such as the Intergovernmental Panel on Climate Change, the Environmental Protection Agency and the International Energy Agency.

existing methodologies and tools that may be applied include, but are not limited to the Clean Development Mechanism (CDM)[2] Methodologies, new methodologies to be developed under Article 6.4[3] of the Paris Agreement, bilateral approaches such as the Joint Crediting Mechanism (JCM)[4], the Gold Standard[5], the methodologies of the Technical Working Group of the International Financial Institutions (IFI TWG methodologies)[6], the Verified Carbon Standard (VCS)[7] and the Food and Agriculture Organisation's EX-Ante Carbon Balance Tool (EX-ACT)[8]. This approach is more applicable to estimate GHG reductions at an activity level or in other words Scope 1 direct emission. GCF-supported initiatives do not measure the carbon footprint of projects and programs under implementation in accordance with the GHG protocol's Scope 1, Scope 2, and Scope 3 methodologies. One of the reasons for that is the underlying difficulties, such as the lack of data and methodologies for calculating value chain emissions, as well as the lack of an agreed-upon methodology to compute Scope 3 emissions.

10. Thus, neither the GEF nor the GCF measures the carbon emissions associated with the implementation of the funded projects and therefore has no information on methodology that can be shared with the Adaptation Fund. As a result, there was no information available for the secretariat to conduct a comparative analysis of the methodologies and cost estimates for estimating the carbon footprint of project implementation by both organizations.

Recommendation

11. Having considered the information contained in document AFB/B.43/10, the Adaptation Fund Board (the Board) took note of the information.

Annex: Carbon Footprint of the Adaptation Fund for fiscal year 2023

[2] https://unfccc.int/process-and-meetings/the-kyoto-protocol/mechanisms-under-the-kyoto-protocol/the-clean-development-mechanism
[3] https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism
[4] https://www.mofa.go.jp/ic/ch/page1we_000105.html
[5] https://www.goldstandard.org/
[6]https://unfccc.int/sites/default/files/resource/International%20Financial%20Institution%20Framework%20for%20a%20Harmonised_rev.pdf
[7] https://verra.org/programs/verified-carbon-standard/
[8] https://www.fao.org/in-action/epic/ex-act-tool/suite-of-tools/ex-act/en/

CARBON FOOTPRINT OF THE ADAPTATION FUND FOR FISCAL YEAR 2023

Introduction

1. The Adaptation Fund (AF) Board Secretariat is hosted by the secretariat of the Global Environment Facility (GEF), which administratively constitutes one of the units (GEF Vice-Presidency) in the World Bank Group (WBG). This report presents the carbon footprint of internal business operations for the Adaptation Fund Board Secretariat for Scopes 1, 2 and 3 based on the methodologies from the Greenhouse Gas Protocol as described in **Table 1** below, using available data through the initiative of the WBG on carbon inventory.

Table. 1: Three scopes under the Greenhouse Gas Protocol Initiative (GHG Protocol)

Scope 1: Direct emissions sources	- Combustion of fuel in boilers or furnaces that are owned by the reporting organization - Generation of electricity, steam, or heat in equipment that is owned by the reporting organization - Business travel in vehicles that are owned by the reporting organization, such as company cars or corporate jets - Employee commuting in company-owned vehicles, such as shuttles and company cars - Fugitive emissions of refrigerant from chillers or other refrigeration units owned by the reporting organization
Scope 2: Indirect emissions sources	- Generation of purchased electricity, steam, heat, or chilled water
Scope 3: Optional Sources	- Business travel in non-company-owned vehicles such as rental cars, employee cars, trains, and commercial planes

2. The World Bank's overall data on carbon footprint is presented in a few official publications including the "Sustainability review 2023 (biannual)" and "GRI index 2023".

Carbon Footprint of the Adaptation Fund Board Secretariat

3. The secretariats of the GEF and AF jointly occupied two floors (35,800 sq ft.) in a leased building in Washington, D.C. in the United States as of the end of fiscal year 2023 (FY23) or 30 June 2023. The share of usage by the AF was 3,326 sq ft. - approximately 10% of the two floors that were occupied by the GEF Vice-Presidency. The numbers are estimated from information that the building management provided for the whole building and apportioned for the office space of the GEF Vice-Presidency Unit, including the AF. The information was obtained through the Sustainable Development Practice Group of the WBG.

Scope 1 - Direct emissions sources

Combustion of fuel in boilers or furnaces (GEF and AF in total)

tCO_2eq : metric tons carbon dioxide equivalent (tCO_2eq)

	FY21	FY22	FY23
Energy	981 therms of natural gas	981 therms of natural gas	981 therms of natural gas
Emissions	5.21 tCO_2eq	5.21 tCO_2eq	5.21 tCO_2eq

Scope 2 – Indirect emissions sources

Purchased electricity emissions (GEF and AF in total)

	FY21	FY22	FY23
Energy	716,064 kWh of electricity (equivalent to 716 MWh)	716,064 kWh of electricity (equivalent to 716 MWh)	716,064 kWh of electricity (equivalent to 716 MWh)
Emissions	212.88 tCO_2eq	219.60 tCO_2eq	214.47 tCO_2eq

Note: electricity emission carbon emission factors change over time due to fuel sources of the regional electricity grid.

4. In the WBG, the second largest course of emissions is electricity usage.

Scope 3 – Optional sources

5. The WBG uses the UN International Civil Aviation Organization (ICAO) Carbon Emissions Calculator to compute work-related air travel emissions. In the WBG, the largest source of emissions is air travel, and the majority of the WBG work-related travel impacts are associated with plane travel. For work-related travel, only air travel booked and paid for by the WBG and travel by contracted car service data is collected and included.

Work-related travel emissions (AF only)

tCO_2eq : metric tons carbon dioxide equivalent (tCO_2eq)

	FY22	FY23
Carbon emissions, secretariat, total	134.6 tCO2eq	396.75 tCO2eq
Carbon cost[9], secretariat, total	US$ 6,715	US$ 19,824
Trees to absorb the carbon emissions[10], secretariat, total	1,178	3,479
Carbon emissions per traveler in WBG, average	3.92 mtons tCO2eq/traveler	7.51 tCO2eq/traveler
Carbon emissions per staff in secretariat, average	5.85 mtons tCO2eq/traveler	10.72 tCO2eq/traveler
Distance flown per traveler in WBG, average	19,156 miles miles/traveler	23,239 miles/traveler
Distance flown per traveler in secretariat, average	27,437 miles/traveler	33,361 miles/traveler

6. Work-related travels captured here are those that were undertaken by staff and consultants of the WBG. Travels that were undertaken as a group such as meeting participants including board members are not incorporated in the GHG inventory yet, and the responsible unit of the WBG has been working on it.

[9] The WBG uses US$ 50 per ton to calculate the carbon cost for travel, which is consistent with the High Level Commission on Carbon Prices, convened by the Carbon Pricing Leadership Coalition (CPLC) and co-chaired by Nobel Laureate Joseph Stiglitz and Lord Nicholas Sternand and the Global Carbon Council (GCC) Guidance, with an understanding that the price be raised to US$ 50-100 per ton of CO_2eq by 2030.

[10] The WBG uses the methodology of US EPA to calculate the number of trees required to absorb the carbon emission. According to the EPA, those trees need to be grown for 10 years to absorb the carbon emission from the flights.