



ADAPTATION FUND

AFB/B.43/17
13 November 2024

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

REPORT OF THE FORTY-THIRD MEETING OF THE ADAPTATION FUND BOARD

Introduction

1. The forty-third meeting of the Adaptation Fund Board (the Board) was held in person in Bonn, Germany, on 10 and 11 October 2024, back-to-back with the thirty-fourth meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC).
2. The list of the members and alternate members who participated in the meeting is attached as annex I. A list of accredited observers present at the meeting can be found in document AFB/B.43/Inf.3.

Item 1. Opening of the meeting

3. The meeting was opened at 9.45 a.m. on 10 October 2024 by the Chair, Lucas di Pietro (Argentina, Non-Annex I Parties).

Item 2. Organizational matters

A. Election of board membership and new members

4. Introducing the sub-item, the representative of the secretariat recalled that paragraph 7 of the rules of procedure stipulated that if a member resigned or was otherwise unable to complete the assigned term of office or to perform the functions of that office, a new member or alternate should be elected in accordance with decision 1/CMP.3, paragraph 8. He reported that the Asia-Pacific constituency had informed the secretariat of the resignation of Albara Tawfiq and had nominated Abdulaziz Albutti to replace him.
5. The Adaptation Fund Board decided to elect Abdulaziz Albutti (Saudi Arabia, Asia-Pacific) as a member, replacing Albara Tawfiq (Saudi Arabia, Asia-Pacific), in accordance with the rules of procedure.

(Decision B.43/1)

6. The Chair welcomed Mr. Albutti. He also welcomed the following two newly elected alternate members:

- Akram Mirzakhani, (Islamic Republic of Iran, Asia-Pacific);
- Choikhand Janchivlamdan, (Mongolia, Non-Annex I Parties).

B. Adoption of the agenda

7. The Board adopted the agenda for its forty-third meeting on the basis of the provisional agenda (AFB/B.43/1/Rev.1), as orally amended. The agenda, as adopted, is set out in annex II to the present report.

8. In adopting the agenda, the Board agreed to consider an oral report on resource mobilization under agenda item 19, “Other matters”:

C. Organization of work

9. The Board considered the provisional timetable contained in the annotated provisional agenda (AFB/B.43/2/Rev.1) and adopted the organization of work proposed by the Chair.

10. The following members and alternate members declared conflicts of interest:

- Lucas Di Pietro (Argentina, Non-Annex I Parties)
- Victor Viñas (Dominican Republic, Latin America and the Caribbean)
- Naresh Sharma (Nepal, Least Developed Countries)
- Daniela Buchuk (Chile, Latin America and the Caribbean)

Item 3. Report on the activities of the Chair

11. The Chair reported on the activities undertaken on the Board’s behalf during the intersessional period between the Board’s forty-second and forty-third meetings (AFB/B.43/Inf.4).

12. The Board took note of the information provided.

Item 4. Report on activities of the secretariat

13. The Manager of the secretariat reported on the activities of the secretariat (AFB/B.43/3).

14. At the request of a member, a representative of the secretariat also provided an oral report on the update of the environmental and social policy. She recalled that the secretariat, pursuant to decision B.42/56, had commissioned an update of the Fund’s environmental and social policy from an experienced environment and social safeguards expert, and that an independent review of the policy prepared by the expert had been presented to the Board at its forty-first meeting. Since then, the update of the first part of the policy, consisting of 15 principles, had been completed. The update of the second part, covering the procedural aspects of how to apply the

principles, was currently in the process of being finalized. Once the update was complete, the secretariat would launch a consultation process and issue a public call for comments to gather input on the draft updated policy.

15. The Board took note of the information provided.

Item 5. Accreditation-related matters: report of the Accreditation Panel

16. The Chair of the Accreditation Panel presented the report of the panel's forty-second meeting (AFB/B.43/4/Rev.1). He reported that, as of 29 August 2024, the Fund had 57 accredited implementing entities, of which 33 were national (NIEs), 9 were regional (RIEs) and 15 were multilateral (MIEs). Ten of the NIEs were in least developed countries and seven were in small island developing States. Of the Fund's 57 implementing entities, 39 had been reaccredited by the Fund, consisting of 21 national, 6 regional and 12 multilateral entities. In terms of the geographic coverage of the national and regional implementing entities, 16 were in Latin America and the Caribbean, 14 in Africa, 11 in Asia and 1 in Eastern Europe.

17. The Board continued its discussion in a closed session. Following the closed session, the Board adopted the decisions below on matters considered by the Accreditation Panel at its forty-second meeting.

18. The Adaptation Fund Board decided to request the secretariat to develop, in consultation with the Accreditation Panel (the Panel), for the Panel's consideration at its forty-third meeting:

(a) Guidance for the preparation of the Panel's assessment report on accreditation and reaccreditation applications and the associated note to the Board, as referred to in decision B.42/4, with a view to promoting the consistency and efficiency of assessments;

(b) An approach to the roles and responsibilities of the Panel with respect to quality assurance, with a view to promoting efficiency with the application review process.

(Decision B.43/2)

19. Having considered the recommendation of the Accreditation Panel and following the reaccreditation process approved by decisions B.28/38 and B.34/3, the Adaptation Fund Board decided to reaccredit the Inter-American Development Bank as a multilateral implementing entity of the Adaptation Fund for five years, as per paragraph 39 of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund. The accreditation expiration date is 11 October 2029.

(Decision B.43/3)

20. Having considered the recommendation of the Accreditation Panel and following the reaccreditation process approved by decisions B.28/38 and B.34/3, the Adaptation Fund Board decided to reaccredit the United Nations Development Programme as a multilateral implementing entity of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access

resources from the Adaptation Fund. The accreditation expiration date is 11 October 2029.

(Decision B.43/4)

Item 6. Report of thirty-fourth meeting of the Project and Programme Review Committee

21. The Chair of the PPRC presented the report of the PPRC (AFB/PPRC.34/30).

22. One member raised a matter regarding a project that had not yet been technically cleared, asking why a project country providing a government contribution to the project was considered co-financing and that the term co-financing may not be applicable, a view supported by other members.

23. The Board took note of the report of the PPRC and adopted the decisions below on matters considered by the PPRC at its thirty-fourth meeting.

A. Report of the secretariat on the initial screening/technical review of project and programme proposals

24. The PPRC made its recommendations under the following two sub-items.

B. Review of single-country project and programme proposals

Fully developed proposals

Proposals from national implementing entities

Benin: Strengthening resilience and food security of the vulnerable communes of Boukombe and Bopa against increased impact of climate change (fully developed project; Fonds National pour l'Environnement et le Climat (FNEC); AF00000290; US\$ 3,053,744)

25. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the Fonds National pour l'Environnement et le Climat (FNEC) to the request made by the technical review;

(b) To approve the funding of US\$ 3,053,744 for the implementation of the project, as requested by FNEC;

(c) To request the secretariat to draft an agreement with FNEC as the national implementing entity for the project.

(Decision B.43/5)

Peru: Building a program for adaptation and resilience to climate change of Andean local communities and ecosystems in Peru (fully developed project; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); AF00000296; US\$ 4,746,620)

26. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request made by the technical review;
- (b) To approve the funding of US\$ 4,746,620 for the implementation of the project, as requested by PROFONANPE;
- (c) To request the secretariat to draft an agreement with PROFONANPE as the national implementing entity for the project.

(Decision B.43/6)

Proposals from regional implementing entities

Pakistan: Sustainable actions for ecosystems restoration in Pakistan (SAFER Pakistan) (fully developed project; International Centre for Integrated Mountain Development (ICIMOD); AF00000348; US\$ 10,000,000)

27. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the International Centre for Integrated Mountain Development (ICIMOD) to the request made by the technical review;
- (b) To approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by ICIMOD;
- (c) To request the secretariat to draft an agreement with ICIMOD as the regional implementing entity for the project.

(Decision B.43/7)

Proposals from multilateral implementing entities

Azerbaijan: Building climate resilient cities and communities in Azerbaijan (fully developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000388; US\$ 10,000,000)

28. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by the UN-Habitat to the request made by the technical review;
- (b) To approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by UN-Habitat;
- (c) To request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project.

(Decision B.43/8)

Single country concept notes*Proposals from regional implementing entities*

Dominican Republic: Enhancing climate resilience of ecosystems and livelihoods through adaptation actions in the tourism sector in La Isabela and Estero Hondo, in the Dominican Republic (RESILTUR) (concept note; Development Bank of Latin America and the Caribbean (CAF); AF00000397; US\$ 10,000,000)

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

(a) To endorse the concept note as supplemented by the clarification responses provided by the Development Bank of Latin America and the Caribbean (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 further demonstrate the concrete adaptation nature/aspects of the project activities;

(ii) The fully developed proposal should include clear guidelines and criteria for selecting co-managers and ensure transparent processes in forming partnerships, as well as measures to regularly review and adjust the co-management plans based on performance evaluations and stakeholder feedback.

(c) To request CAF to transmit the observations under subparagraph (b) to the Government of the Dominican Republic;

(d) To encourage the Government of the Dominican Republic to submit, through CAF, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.43/9)

Proposals from multilateral implementing entities

Plurinational State of Bolivia: Enhancing climate resilience and protecting agricultural productivity in critical climate-vulnerable areas of the Plurinational State of Bolivia through the recovery of water recharge (concept note; International Fund for Agricultural Development (IFAD); AF00000377; US\$ 10,000,000)

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

(a) To endorse the concept note as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;

(b) To request the secretariat to notify IFAD of the observations in the review sheet annexed to the notification of the Board's decision;

(c) To request IFAD to transmit the observations under subparagraph (b) to the Government of the Plurinational State of Bolivia;

(d) To encourage the Government of the Plurinational State of Bolivia to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.43/10)

Somalia: Green and resilient ecosystems for Somali livelihoods (Hal-abuur) (concept note; International Fund for Agricultural Development (IFAD); AF00000382; US\$ 10,000,000)

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

(a) To endorse the concept note as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;

(b) To request the secretariat to notify IFAD of the observations in the review sheet annexed to the notification of the Board's decision;

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

(d) To encourage the Government of Somalia to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.43/11)

Tunisia: Strengthening adaptive capacity and livelihood security in the most vulnerable oases of the Governate of Tozeur (concept note; World Food Programme (WFP); AF00000356; US\$ 9,997,000)

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

(a) To endorse the concept note as supplemented by the clarification responses 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 issues:

(i) The fully developed project proposal should describe and delineate the term "biodiversity" and possibly replace it with a term more specific to the agriculture context, as well as an impact assessment that considers invasive species;

(ii) The fully developed project proposal should contain relevant guidance prepared for the unidentified sub-projects (USPs) for inclusion in the Environmental and Social Management Plan;

(iii) The fully developed project proposal should present the quantitative elements of the project benefits, including for the USPs that constitute 74 per cent of the activities cost;

(iv) The fully developed project proposal should detail the requirements necessary to meet the relevant national technical standards, where applicable, in

compliance with the Environmental and Social Policy of the Fund (ESP) and how these will be met for the agriculture produce and food that the project will support to generate and market;

(v) The fully developed project proposal should elaborate on the risks of duplication with other funding sources;

(vi) The fully developed project proposal should revisit the risks findings and present the results of the corresponding environmental and social impact assessments, in particular as related to child labour, Indigenous Peoples, involuntary (economic) resettlement, marginalized and vulnerable groups, biodiversity (beyond agrobiodiversity and in and beyond activity locations), and agriculture- and value-chain-related pollution; anticipated desirable project outcomes do not negate risks of potential unwanted outcomes, such as is the case for heritage and lands and soil conservation;

(vii) The fully developed project proposal should describe the specific benefits of not formulating an activity at the fully developed stage;

(viii) The fully developed project proposal should further present gender-disaggregated data where relevant, as supported by the gender assessment and categorized in line with the ESP and at the project level;

(ix) The fully developed project proposal should ensure that the implementing entity fees and execution costs are revised to comply with the Fund's policy on costs and fees;

(c) To request WFP to transmit the observations under subparagraph (b) to the Government of Tunisia;

(d) To encourage the Government of Tunisia to submit, through WFP, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.43/12)

C. Review of regional project and programme proposals

Regional projects and programmes

Regional concept note

Proposal from a multilateral implementing entity

Plurinational State of Bolivia, Ecuador, Peru: Increasing the resilience to climate change of the livelihoods of small family farmers in the Andean region of the Plurinational State of Bolivia, Ecuador and Peru (concept note; International Fund for Agricultural Development (IFAD); AF00000394; US\$ 14,000,000)

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

(a) To endorse the concept note as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;

(b) To request the secretariat to notify IFAD 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 information on how the institutional arrangements including the coordination body and the steering committee were finalized in consultation with the involved countries;

(ii) The fully developed project proposal should capture the quarterly consultations with counterparts who will form part of the steering committee;

(iii) The fully developed project proposal should ensure that section M is included;

(c) To approve the project formulation grant of US\$ 100,000;

(d) To request IFAD to transmit the observations under subparagraph (b) to the Governments of the Plurinational State of Bolivia, Ecuador and Peru;

(e) To encourage the Governments of the Plurinational State of Bolivia, Ecuador and Peru to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Decision B.43/13)

Regional pre-concept note

Proposal from a multilateral implementing entity

Argentina, Chile, Colombia, Peru: AdaptAndes: Enhancing socio-ecosystems resilience, knowledge management and regional cooperation and governance across the Andes (pre-concept note; United Nations Environment Programme (UNEP); AF00000383; US\$ 13,915,000)

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

(a) To endorse the pre-concept note as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;

(b) To request the secretariat to notify UNEP of the observations in the review sheet annexed to the notification of the Board's decision;

(c) To approve the project formulation grant of US\$ 36,000;

(d) To request UNEP to transmit the observations under subparagraph (b) to the Governments of Argentina, Chile, Colombia and Peru;

(e) To encourage the Governments of Argentina, Chile, Colombia and Peru to submit, through UNEP, a concept note proposal.

(Decision B.43/14)

D. Review of large innovation project and programme proposalsFully developed proposal*Proposal from a national implementing entity*

Bangladesh: Access to safe drinking water for the climate vulnerable people in coastal areas of Bangladesh through solar-generated reverse osmosis water treatment facilities (fully developed proposal; Palli Karma-Sahayak Foundation (PKSF); AF00000285; US\$ 5,000,000)

35. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To approve the fully developed project proposal, as supplemented by the clarification responses provided by Palli Karma-Sahayak Foundation (PKSF) to the requests made by the technical review;

(b) To approve the funding of US\$ 5,000,000 for the implementation of the project, as requested by PKSF;

(c) To request the secretariat to draft an agreement with PKSF as the national implementing entity for the project.

(Decision B.43/15)

Concept note*Proposal from a multilateral implementing entity*

Somalia: Enhancing adaptation and resilience through nature-based Solutions (EARNSS) in Somalia (concept note; United Nations Environment Programme (UNEP); AF00000275; US\$ 5,000,000)

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

(a) To endorse the concept note supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;

(b) To request the secretariat to notify UNEP 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 proposal should provide an alignment table that demonstrates alignments with the Fund's strategic results framework;

(ii) The fully developed proposal should elaborate on plans for developing and implementing standardized, cost-effective methods for measuring and verifying soil carbon sequestration;

(iii) The fully developed proposal should specify the exact project sites where the interventions will be implemented;

(iv) The fully developed proposal should clarify monitoring and maintenance arrangements of the necessary infrastructure and equipment;

(c) To approve the project formulation grant of US\$ 150,000;

(d) To request UNEP to transmit the observations under subparagraph (b) to the Government of Somalia;

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

(Decision B.43/16)

E. Report of the secretariat on initial screening/technical review of innovation small grant proposals

The PPRC made its recommendations under the following sub-item.

F. Review of small innovation grants

Senegal: Djigui Niokolo: Developing agro-sylvo-pastoral models for sustainable agriculture and environmental preservation (Innovation Small Grant; Centre de Suivi Ecologique (CSE); AFRDG00065; US\$ 244,459)

37. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To approve the innovation small grant as supplemented by the clarification responses provided by the Centre de Suivi Ecologique (CSE) to the requests made by the technical review;

(b) To approve the funding of US\$ 244,459 for the implementation of the project, as requested by CSE;

(c) To request the secretariat to draft an agreement with CSE as the national implementing entity for the project.

(Decision B.43/17)

G. Report of the secretariat on initial screening/technical review of Adaptation Climate Innovation Accelerator Programme proposals

The PPRC made its recommendations on the matter under the following sub-item.

H. Review of Adaptation Climate Innovation Accelerator Programme proposals

Global: Coordination services for the Special Financing Window in support of innovation for adaptation (AFCIA): Phase II (United Nations Environment Programme (UNEP); AF00000387; US\$ 2,707,222)

38. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To approve the Adaptation Fund Climate Innovation Accelerator coordination services proposal, as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the requests made by the technical review;

(b) To approve the funding of US\$ 2,707,222 for the implementation of the project, as requested by UNEP;

(c) To request the secretariat to draft an agreement with UNEP as the multilateral implementing entity for the project.

(Decision B.43/18)

I. Expressions of interest to implement locally led adaptation aggregator programme

39. During the consideration of the sub-item, noting that the United Nations Development Programme (UNDP) had been recredited at the present meeting on the recommendation of the Accreditation Panel, the Board agreed to also invite UNDP to develop a locally led adaptation aggregator programme or programmes.

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

(a) To invite the Caribbean Development Bank to develop a programme of up to US\$ 8 million, noting the possibility to submit a proposal under the regional locally led adaptation modality, once available;

(b) To invite the Development Bank of Latin America and the Caribbean to develop a programme of up to US\$ 12 million, noting the possibility to submit a proposal under the regional locally led adaptation modality, once available;

(c) To invite the United Nations Development Programme to develop a programme of up to US\$ 10 million, noting the possibility to submit a proposal under the regional locally led adaptation modality, once available;

(d) To invite the United Nations Industrial Development Organization to develop a programme of up to US\$ 15 million;

(e) To encourage the implementing entities that have submitted expressions of interest to consider future opportunities to support locally led adaptation;

(f) To request the selected implementing entity or entities to indicate their acceptance by letter to the Chair of the Board no later than two weeks from the date of the official invitation notification.

(Decision B.43/19)

J. Exploring options on the further use of adaptation fund resources to fund innovation

41. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to take the findings of the report into account when continuing to implement actions under the innovation pillar of the Adaptation Fund's medium-term strategy (2023–2027).

(Decision B.43/20)

K. Update on the identified needs for external support for advisory services for innovation and options for support

42. The Projects and Programmes Review Committee did not make any recommendations under its agenda item on the identified needs for external support for advisory services for innovation and options for support.

L. Guidance for implementing entities for application of updated operational policies for learning grants

43. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

(a) To adopt the revised project proposal template and the updated instructions for preparing a request for learning grant funding and request the secretariat to include them as updates of the operational policy of the Adaptation Fund;

(b) To request the secretariat to inform the national implementing entities (NIEs) of the updated policy-mentioned in subparagraph (a) and the updated project template and guidance contained in annexes I and II to document AFB/PPRC.34/10;

(c) To request the secretariat to communicate the proposed indicators contained in table 1 of document AFB/PPRC.34/10 to the NIEs for application during a pilot phase;

(d) To request the secretariat to consider feedback from the pilot phase of application of learning indicators when revising the strategic results framework, project performance reports and other relevant documents.

(Decision B.43/21)

M. Framework approach for bundling small innovation and learning grant

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

(a) To approve the proposed bundling framework;

(b) To request the secretariat:

(i) To inform the national implementing entities (NIEs) of the bundled grant modality and the process for accessing grants under it;

(ii) To prepare and present the NIEs with additional guidance on filling out the new proposal template;

(iii) To report to the Project and Programme Review Committee on status of actions under subparagraphs (i) and (ii) at its thirty-fifth meeting;

(iv) To prepare a progress report on the implementation of the bundling framework with lessons learned and further recommendations for improvement, as appropriate, for consideration by the Project and Programme Review Committee at its thirty-eighth meeting.

(Decision B.43/22)

N. Assessment of project implementation requests

Partnership in Governance Reform in Indonesia (Kemitraan)

45. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to approve the request for change in project outputs, material change and revision of the disbursement schedule for the project "Safekeeping-Surviving-Sustaining towards Resilience: 3S Approach to Build

Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province”, as requested by the Partnership in Governance Reform in Indonesia (Kemitraan) (document AFB/PPRC.34/12).

(Decision B.43/23)

National Environment Management Authority (NEMA)

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

(a) To cancel the approval, by decision B.41-42/6, of the proposal for the readiness package grant submitted by the National Environment Management Authority (NEMA) to support accreditation of a second national implementing entity in Kenya, in accordance with paragraph 58 of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund and decision B.34/3;

(b) To request the secretariat to notify NEMA and the Government of Kenya of the decision by the Board in subparagraph (a), above.

(Decision B.43/24)

O. Report of the secretariat on the intersessional review cycle for readiness grants

47. The Project and Programme Review Committee did not make any recommendations under its agenda item on the intersession review cycle for readiness grants.

Item 7. Report of thirty-fourth meeting of the Ethics and Finance Committee

48. The Chair of the EFC presented the report of the EFC (AFB/EFC.34/10).

49. The Board took note of the report of the EFC and adopted decisions on matters considered by the EFC at its thirty-fourth meeting as indicated in the subsections below.

A. Financial issues

50. The EFC did not make any recommendations under its agenda item on financial issues.

B. Annual Performance Report for Fiscal Year 2024

51. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board decided:

(a) To approve the Adaptation Fund’s annual performance report for the fiscal year 2024, as contained in annex I to document AFB/EFC.34/9;

(b) To request the secretariat to prepare a summarized version of the annual performance report for the general public in a reader-friendly format following its approval by the Board.

(Decision B.43/25)

C. Report of the Chair of the Technical Evaluation Reference Group

52. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board took note of the key findings and recommendations of the AF-TERG thematic evaluation of scalability concepts and practice at the Adaptation Fund (AFB/EFC.34/.5/Rev.1) on encouraging and enabling the scaling of results in the Adaptation Fund's projects, particularly in the context of taking forward the implementation plan for the Fund's medium-term strategy (2023–2027).

D. Management response to the recommendations of the thematic evaluation of the accreditation process

53. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board (the Board) took note of the recommendations of the thematic evaluation of the Fund's accreditation process conducted by the Adaptation Fund Technical Evaluation Reference Group, as contained in document AFB/EFC.33/11, as well as the discussion during the thirty-fourth meeting of the Ethics and Finance Committee (EFC) and the forty-third meeting of the Board and the management response contained in document AFB/EFC.34/6 and decided to request the secretariat:

(a) To prepare an action plan to implement agreed and partially agreed recommendations arising from the thematic evaluation mentioned above, for consideration by the Board during the intersessional period between its forty-third and forty-fourth meetings;

(b) To report to the EFC, at its thirty-fifth meeting, on the progress made in implementing the action plan.

(Decision B.43/26)

E. Initial management response to the thematic evaluation on scalability concepts and practice

54. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board (the Board) took note of the initial management response prepared by the Adaptation Fund Board secretariat, as contained in document AFB/EFC.34/7, and decided to request the Adaptation Fund Board secretariat:

(a) To prepare an updated management response and action plan reflecting the views expressed by the Ethics and Finance Committee at its thirty-fourth meeting on the findings and recommendations of the thematic evaluation on scalability concept and practices, for consideration by the Board during the intersessional period between its forty-third and forty-fourth meetings;

(b) To report to the Ethics and Finance Committee, at its thirty-sixth meeting, on the progress made in implementing the action plan, as part of the report on the activities of the secretariat.

(Decision B.43/27)

F. Project-post-approval policy gap assessment

55. Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board (the Board) took note of the review and analysis conducted by the secretariat, as contained in document AFB/EFC.34/8 and decided:

(a) To endorse the approach outlined in option 3, contained in document AFB/EFC.34/8, including the delegation of approval of minor changes to projects and programmes to the secretariat;

(b) To request the secretariat to propose, for the consideration of the EFC at its thirty-fifth meeting and taking into consideration the discussion at the thirty-fourth meeting of the EFC:

(i) Revisions to the Policy for Project Implementation, as set out in annex 7 to the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (AFB/EFC.21/5), and to the Policy for Project/Programme Delays (AFB/B.34-35/6);

(ii) An action plan for the implementation of the present decision.

(Decision B.43/28)

Item 8. Proposed amendment to the provisions of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund related to the Designated Authorities of the Fund

56. The representative of the secretariat presented the proposed amendments to the provisions of the operational policies and guidelines related to the designated authorities of the Fund (AFB/B.43/7).

57. Having considered the information contained in document AFB/B.43/7 and taking into account the discussion on option 2 in document AFB/B.42/6, the Adaptation Fund Board (the Board) decided:

(a) To adopt and initiate the change of the definition of “Designated Authority” from an officer to an entity;

(b) To revise, for the purpose of a transitional period of no longer than one year, the definition of “Designated Authority” in the Fund’s Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) from “an officer within the Party’s government administration” to “either an officer within the Party’s government administration or a government entity of the Party with appointed primary and secondary contact points”;

(c) To phase out the current system of nominated government officer as Designated Authority at the end of the 12-month period and, effective immediately, to no longer accept new nominations of officers as Designated Authorities;

(d) To invite eligible Parties to nominate, as soon as possible and within 12 months from the date of the present decision, a government entity as the Designated Authority for the Adaptation Fund and appoint a primary contact point with the authority to sign on behalf of the Designated Authority and up to two secondary contact points without signing authority

who will facilitate communication and coordination with the Fund. The nomination of a government entity as the Designated Authority will replace any previously nominated officer as Designated Authority for that Party;

(e) To request the secretariat to communicate the present decision to all Parties through their current Designated Authority and the United Nations Framework Convention on Climate Change focal points, and to support Parties through provision of the relevant nomination letter templates and guidance to facilitate a smooth transition;

(f) To request the secretariat to present an amendment to the OPG for the Board's consideration at its forty-fifth meeting, aimed at finalizing the transition of Designated Authority from an officer to an entity.

(Decision B.43/29)

Item 9. Amendments to the Adaptation Fund standard project legal agreement - policy compliance and auditing requirement

58. Introducing the sub-item, the representative of the secretariat recalled that at its forty-second meeting, the Board had decided to allow implementing entities to apply their own policies and procedures in complying with the Fund's standards, policies and procedures, and to allow multilateral implementing entities to submit certified financial statements as part of the annual project performance report and after project closure. It had also requested the secretariat to prepare the needed draft amendments to the Fund's standard project legal agreement and to consider options for additional measures to mitigate fiduciary risks related to auditing, taking into account the practices of other climate funds. The draft amendments were set out in the annex to document AFB/B.43/8.

59. The Chair also drew attention to a letter dated 7 October 2024 received from six United Nations entities expressing their willingness to continue working with the Board and the secretariat to find a solution to their concerns.

60. During the ensuing discussion, members underscored the significance of amending the standard legal agreement and expressed the need for consultations with both the implementing entities and the Board members to provide input on the proposed amendments before moving forward.

61. Having considered document AFB/B.43/8 and its annex, as well as a letter from the six United Nations agencies dated 7 October 2024, the Adaptation Fund Board (the Board) decided:

(a) To take note of the draft amendments to the Adaptation Fund standard project legal agreement (the Legal Agreement) contained in annex to document AFB/B.43/8;

(b) To request the secretariat to consult with the Board and the relevant Fund stakeholders, including the implementing entities, on the draft amendments to the Legal Agreement contained in the annex to document AFB/B.43/8 during the intersessional period between the forty-third and the forty-fourth meetings of the Board;

(c) To update the draft amendments to the Legal Agreement taking into considerations and reflecting the input collected through the consultation referred to in paragraph (b), for the Board's consideration at its forty-fourth meeting.

(Decision B.43/30)

Item 10. Issues remaining from earlier meetings

A. Options to further enhance civil society participation and engagement in the work of the Board

62. Introducing the sub-item, the representative of the secretariat recalled that the Board had been discussing options to further enhance civil society participation and engagement in the work of the Board since its thirty-fourth meeting. Based on recommendations from the Adaptation Fund Civil Society Network and the discussions at Board meetings, the secretariat had developed a draft vision and guidelines on enhanced civil society engagement, and guidelines for participation of active civil society observers, and the Board had been discussing the elements to be included in those documents. At its forty-second meeting, the Board had established the status of the active civil society observer, which entitled civil society representatives of the observer organizations to participate in and make interventions during open segments of Board meetings.

63. During the ensuing discussion, one member suggested that a better balance between the different regions was needed in the selection of active observers. Another member, however, said that most of the constituencies being consulted, such as women and young people, were global in nature and it might therefore be better to avoid a formal regional distribution. Noting that resource mobilization was also an ongoing issue for the Fund, several members expressed concern regarding the additional financial burden of the travel costs of active observers. Others, however, were of the view that active observers should have a travel allowance.

64. The representative of the secretariat explained that the draft guidelines reflected the proposals received from Adaptation Fund Civil Society Network, which had suggested a selection process managed by the network. She also explained that the present administrative budget could accommodate some of the additional funding requests but that additional budgetary provisions would be needed in the future.

65. Two board members said that they had editorial changes to suggest or other comments on the draft guidelines, and the Chair of the Board requested the members to send those to the secretariat. The Board did not have time to consider those comments during the meeting.

66. Having considered the information contained in documents AFB/B.42/9, the Adaptation Fund Board (the Board) decided to continue the discussion on the Adaptation Fund Vision and Guidelines on Enhanced Civil Society Engagement, as contained in annex I to document AFB/B.43/9, and the Guidelines for Participation of Active Civil Society Observers, as contained in annex II to document AFB/B.43/9, at its forty-fourth meeting.

(Decision B.43/31)

B. Carbon footprint of the Fund

67. Owing to a shortage of time, the Board agreed to postpone its consideration of the matter.

C. Issues arising from seventeenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol, the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the twenty-seventh session of the Conference of the Parties: status of timely transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement and development of a strategy on monetization of Article 6, paragraph 4, emission reductions

68. The Board considered the issues associated with the status of preparations for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement and development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs) in a closed session.

69. In considering the matter, the Board had before it a set of confidential documents, on arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement and development of a strategy on monetization of Article 6, paragraph 4, emission reductions (AFB/B.43/11); a draft memorandum of understanding regarding secretariat services to the Board (AFB/B.43/11/Add.1); draft amendments to the rules of procedure of the Fund (AFB/B.43/11/Add.2); draft amendments to the Fund's operational policies and guidelines (AFB/B.43/11/Add.3); draft amendments to the Fund's strategic priorities, policies and guidelines (AFB/B.43/11/Add.4); and a draft of new terms and conditions of trustee services to be provided by the International Bank for Reconstruction and Development as trustee for the Adaptation Fund (AFB/B.43/11/Add.5).

70. Having considered documents AFB/B.43/11, AFB/B.43/11/Add.1, AFB/B.43/11/Add.2, AFB/B.43/11/Add.3, AFB/B.43/11/Add.4, AFB/B.43/11/Add.5, AFB/B.43/11/Add.6 and AFB/B.43/11/Add.7, the Adaptation Fund Board decided to continue considering the matter of the arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement at its forty-fourth meeting.

(Decision B.43/32)

Item 11. Issues arising from eighteenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol, the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the twenty-eighth session of the Conference of the Parties

71. The Board had before it for its consideration document AFB/B.43/13, on decisions of eighteenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMA), the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMP) and the twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, relating to the Adaptation Fund and the relevant matters to be considered by the Adaptation Fund Board.

72. Commenting on the document, members highlighted the importance of the global goal on adaptation, as well as the new collective quantified goal on climate finance and decision 5/CMA.5, on operationalization of the new funding arrangements, and urged the secretariat to engage in the related processes and to seek opportunities to enhance the Fund's role in that ongoing work. One underscored the importance of following up on guidance from CMP and CMA, included with respect to the Fund's transition to exclusively serving the Paris Agreement, but recommended that the Board's reports in that regard be limited to the guidance provided in the context of the Fund's report to CMP and CMA. He also suggested including specific language on the global goal on adaptation and the new collective quantified goal on climate finance in the Fund's report to CMP and CMA. Another member expressed the hope that the Board would have the opportunity to consider the document in more detail and to hear a report on the secretariat's progress on the actions outlined in the document at a future Board meeting.

73. The Board took note of document AFB/B.43/13 and members' comments thereon.

Item 12. Utilization of cap resources within the adaptation fund and options for revision

74. Introducing the item, the Chair recalled that through decision B.42/59, the Board had requested the secretariat to prepare an analysis of the usage of the various caps and to develop options for adjusting project- and programme-related caps, including the cap for MIEs and present them to the Board at its forty-third meeting.

75. The representative of the secretariat then presented the information set out in document AFB/B.43/14, including background information on cap allocations, an analysis of cap usage within the context of the Adaptation Fund and current realities, and the options proposed by the secretariat for the Board's consideration.

76. During the ensuing discussion, several members stressed the need to increase the maximum amount for single-country and regional projects and to raise the country cap in view of the rising implementation costs and the urgent need to adapt to increasingly severe weather events. Adaptation was a matter of survival in many parts of the world. The current limit on the cumulative budget allocation for funding projects submitted by MIEs should be maintained to encourage more countries to establish NIEs and thus have direct access to the Fund. At a minimum, the maximum amount for a single project should be increased to US\$ 15 million to account for inflation, albeit on a provisional basis pending further discussion at future Board meetings.

77. Other members cautioned against hastily making changes to the utilization of the Fund's resources after such little discussion, especially given the uncertainties surrounding the Fund's resource mobilization. Further information was needed to assess the impact of foreign exchange fluctuations and the cost of adaptation needs, among other factors, on the financing of projects. It made sense to continue discussion on the matter and to set the caps periodically at the beginning of the period of implementation of each medium-term strategy of the Fund.

78. Responding to a member's query regarding the omission of certain developing countries from the table contained in annex II to the document, the representative of

the secretariat explained that the annex reflected the list of countries that have submitted proposals to the Fund and not all eligible countries. Responding to comments on the MIE cap, she further clarified that the proposed option for a cap on the proportion of funds allocated to MIEs would be dynamically adjusted to the increase in the number of accredited NIEs.

79. Having considered document AFB/B.43/14, the Adaptation Fund Board (the Board) decided to request the secretariat to undertake additional analyses and further elaborate options for caps and project and programme size, including for setting the country cap periodically, for consideration by the Board at its forty-fourth meeting.

(Decision B.43/33)

Item 13. Multilateral climate funds action plan on complementarity and coherence

80. Introducing the item, the representative of the secretariat recalled that at the 2023 United Nations Climate Change Conference, the four multilateral climate funds, namely the Adaptation Fund, the Climate Investment Funds, the Global Environment Facility and the Green Climate Fund, made a joint declaration, pledging to strengthen the complementarity of and coherence between the funds. The secretariats of the four funds had subsequently worked together to develop a draft action plan for consultation with their governing bodies, which had been circulated to the Board members as intersessional information document AFB/B.42-43/Inf.1. She then proceeded to present the information contained in document AFB/ B.43/15.

81. In the discussion that followed, several members were of the view that the action plan should ensure equal access to all who needed funding and that the different procedures of each fund made that a challenge. While the different cultures of the funds should be respected, it was important to ensure the most effective use of the available resources. Adaptation projects were often difficult to implement because of their high costs.

82. One member, however, stressed that while improved complementarity between the funds was desirable, the Adaptation Fund was the only fund that funded the full cost of adaptation. That unique feature had to be maintained when coordinating activities with the other funds. The Adaptation Fund Board had agreed to explore greater complementarity and coherence with the other multilateral climate funds and ought to make it clear that it was working on that issue.

83. Several members indicated that they would provide the secretariat with additional comments in writing.

84. The representative of the secretariat assured the Board that the consultations on the action plan would continue. She explained that comments received after meetings of the respective boards were entered in a log maintained by the climate fund secretariats and would be discussed at regular weekly meetings of those secretariats. After reviewing all the comments, a decision would be taken on whether or not the action plan should be revised for its endorsement by the Heads of the multilateral climate funds and publication at the twenty-ninth meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change.

85. Having considered document AFB/B.43/15, the Adaptation Fund Board decided:

(a) To welcome the efforts made on the draft action plan contained in the annex to document AFB/B.43/15, as a contribution to enhancing coherence and complementarity between the multilateral climate funds and within the international climate finance architecture;

(b) To request the secretariat:

(i) To coordinate with other multilateral climate funds, with a view to reflecting the Board's input in the further refinement of the draft action plan referred to in paragraph (a);

(ii) To update the Board on the progress in the development of the draft action plan through the report on activities of the secretariat.

(Decision B.43/34)

Item 14. Publication: Addressing climate change adaptation in fragile settings and conflict affected countries: lessons learned from the Adaptation Fund's portfolio

86. Owing to a shortage of time, the Board agreed to postpone its consideration of the matter.

Item 15. Election of officers for the next period of office

87. Introducing the item, the representative of the secretariat informed the Board that, in accordance with the rules of procedure, the following positions were to be filled for the period starting from the Board's forty-fourth meeting: the Board Chair (from an Annex I party) and Vice-Chair (from a non-Annex I party); the EFC Chair (from a non-Annex I party) and Vice-Chair (from an Annex I party); the PPRC Chair (from an annex I party) and Vice-Chair (from a non-Annex I party); and the Accreditation Panel Chair (from a non-Annex I party) and Vice-Chair (from an Annex I party). The Chair then called for nominations for those positions, noting that the officers for any position not filled at the current meeting would need to be elected by way of an intersessional decision.

88. Having considered the nominations for officers of the Fund, the Adaptation Fund Board (the Board) decided to elect, for the term of office starting at the first meeting of 2025:

(a) Washington Zhakata (Zimbabwe, Africa) as the Vice-Chair of the Board;

(b) Naresh Sharma (Nepal, Least Developed Countries) as the Chair of the Accreditation Panel.

(Decision B.43/35)

Item 16. Dialogue with civil society organizations

89. The dialogue with civil society organizations consisted of two presentations and a short period for questions and comments. The report on the dialogue is set out in annex III to the present report.

90. The Board took note of the presentations and recommendations of civil society.

Item 17. Date and venue of meetings in 2025 and onward

91. Introducing the item, the representative of the secretariat recalled that at its forty-second meeting, by decision B/42/60, the Board had decided to hold its forty-fourth meeting from 18 to 21 March 2025, in Bonn, Germany.

92. One member pointed out that the agreed dates of the forty-fourth meeting fell during the month of Ramadan, and asked whether the dates could be adjusted accordingly. The Chair assured the Board that would look into the possibility of changing the dates, in consultation with the secretariat. If appropriate, the Board could decide on alternative dates by an intersessional decision. The secretariat will also explore options to add an additional day of meeting to the forty-fourth meeting.

93. The Adaptation Fund Board decided to hold its forty-fifth meeting from 7 to 10 October 2025 in Bonn, Germany.

(Decision B.43/36)

Item 18. Implementation of the code of conduct

94. The Chair drew attention to the Code of Conduct and Zero Tolerance Policy on fraud and corruption, which were posted on the Fund website, and asked whether any member had any issue to raise. No issues were raised.

95. One member, noting that the Code of Conduct was more than 10 years old, suggested that the Board consider updating it in the near future.

Item 19. Other matters*Oral report on resource mobilization*

96. Owing to a shortage of time, the Board agreed to postpone its consideration of the matter.

Item 20. Adoption of the report

97. The Board adopted the decisions in the present report at its forty-third meeting and agreed to entrust the finalization of the report to the secretariat for later adoption. The present report was subsequently adopted by the Board during the intersessional period following its forty-third meeting.

Item 21. Closure of the meeting

98. The Chair declared the meeting closed at 6.30 p.m. on 11 October 2024.

ANNEX I**ATTENDANCE AT THE FORTY-SECOND MEETING OF THE ADAPTATION FUND BOARD**

MEMBERS		
Name	Country	Constituency
Patience Damphey	Ghana	Africa
Washington Zhakata	Zimbabwe	Africa
Abdulaziz Albutti	Saudi Arabia	Asia-Pacific
Tae Hoon Kim	Republic of Korea	Asia-Pacific
Daniela I. Buchuk Gomez	Chile	Latin America and the Caribbean
Kenrick Williams	Belize	Latin America and the Caribbean
Kevin Adams	United States of America	Western European and Others
Nina Alsen	Germany	Western European and Other
Diann C. Black-Layne	Antigua and Barbuda	Small Island Developing States
Naresh Sharma	Nepal	Least Developed Countries
Lucas di Pietro	Argentina	Non-Annex I Parties

ALTERNATES		
Name	Country	Constituency
Fatou Ndeye Gaye	The Gambia	Africa
Akram Mirzakhani	Islamic Republic of Iran	Asia-Pacific
Ahmed Waheed	Maldives	Asia-Pacific
Mariana Kasprzyk	Uruguay	Latin America and the Caribbean
Victor Viñas	Dominican Republic	Latin America and the Caribbean
Frida Jangsten	Sweden	Western European and Others
Sylviane Bilgischer	Belgium	Western European and Other
Mani Mate	Cook Islands	Small Island Developing States
Patrick Owere	Uganda	Least Developed Countries
Choikhand Janchivlamdan	Mongolia	Non-Annex I Parties
Ahmadou Sebory Toure	Guinea	Non-Annex I Parties

ANNEX II**Adopted agenda for the forty-third meeting of the Adaptation Fund Board**

1. Opening of the meeting.
2. Organizational matters:
 - a) Election of Board membership and new members;
 - b) Adoption of the agenda;
 - c) Organization of work.
3. Report on activities of the Chair.
4. Report on activities of the secretariat.
5. Report of the Accreditation Panel.
6. Report of the thirty-fourth meeting of the Project and Programme Review Committee on:
 - a) Report of the secretariat on initial screening/technical review of project and programme proposals;
 - b) Review of single-country project and programme proposals
 - c) Review of regional project and programme proposals;
 - d) Review of large innovation project and programme proposals;
 - e) Report of the secretariat on initial screening/technical review of innovation small grant proposals;
 - f) Review of small innovation grants;
 - g) Report of the secretariat on initial screening/technical review of Adaptation Climate Innovation Accelerator Programme proposals;
 - h) Review of Adaptation Climate Innovation Accelerator Programme proposals;
 - i) Expressions of interest to implement locally led adaptation aggregator programme;
 - j) Exploring options on the further use of adaptation fund resources to fund innovation;
 - k) Update on the identified needs for external support for advisory services for innovation and options for support;
 - l) Guidance for implementing entities for application of updated operational policies for learning grants;

- m) Framework approach for bundling small innovation and learning grants;
 - n) Assessment of project implementation requests;
 - o) Report of the secretariat on the intersessional review cycle for readiness grants.
7. Report of the thirty-fourth meeting of the Ethics and Finance Committee on:
 - a) Financial issues;
 - b) Annual Performance Report for Fiscal Year 2024;
 - c) Report of the Chair of the Technical Evaluation Reference Group;
 - d) Management response to the recommendations of the thematic evaluation of the accreditation process;
 - e) Initial management response to the thematic evaluation on scalability and management response;
 - f) Project post approval policies gap assessment.
 8. Proposed amendment to the provisions of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund related to the Designated Authorities of the Fund.
 9. Amendments to the Adaptation Fund standard project legal agreement – policy compliance and auditing requirement.
 10. Issues remaining from earlier meetings:
 - a) Options to further enhance civil society participation and engagement in the work of the Board;
 - b) Carbon footprint of the Fund;
 - c) Issues arising from seventeenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 17), the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 4) and the twenty-seventh session of the Conference of the Parties (COP 27): status of timely transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement and development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs).
 11. Issues arising from eighteenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 18), the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 5) and the twenty-eighth session of the Conference of the Parties (COP 28).
 12. Analysis of the usage of caps within the Adaptation Fund and options for revision.

13. Multilateral climate funds action plan on complementarity and coherence.
14. Publication: Addressing climate change adaptation in fragile settings and conflict affected countries: lessons learned from the Adaptation Fund's portfolio.
15. Election of officers for the next period of office.
16. Dialogue with civil society organizations.
17. Date and venue of meetings in 2025.
18. Implementation of the code of conduct.
19. Other matters.
20. Adoption of the report.
21. Closure of the meeting.

ANNEX III

DIALOGUE WITH CIVIL SOCIETY, 10 OCTOBER 2024, BONN, GERMANY

1. The Vice-Chair of the Adaptation Fund Board, Nina Alsen (Germany, Western European and Others), invited the Board to enter into a dialogue with civil society organizations (CSOs).
2. Julia Grimm, a senior policy advisor for climate finance and adaptation at Germanwatch, spoke on the preparations for greater participation by civil society in the operations of the Board. Her group had recently established an internet distribution list (listserv) open to all civil society observers accredited with the United Nations Framework Convention on Climate Change (UNFCCC). The list would serve to coordinate CSO engagement at the Board by providing information and updates on the Adaptation Fund, and would support a self-organized selection process for future active CSO observers on the Board. The UNFCCC civil society observer constituencies included Indigenous Peoples' organizations and members from environmental non-governmental organizations representing, among others, children and youth, women and gender constituencies. Some 230 individuals from those constituencies had joined listserv to date and more were expected to join, as there was great interest in the Adaptation Fund. In the past, country level CSO activities had been coordinated and conducted through the Adaptation Fund Civil Society Network and its regional hubs, and had included engagement with national focal points and national implementing entities, as well as the independent assessment of Adaptation Fund projects. The network had cut back on those activities owing to a lack of funding and might need to cease its coordination and encouragement of CSO engagement at the regional and national levels unless further funding was forthcoming.
3. Bertha Argueta, an alternate active observer at the Green Climate Fund (GCF) and a senior advisor for climate finance and development at Germanwatch, spoke about her experience of active observer participation in the GCF Board. The GCF observer network had been founded on the principles of solidarity, inclusivity, independence, egalitarianism, transparency and elevating voices, principles that prioritized the perspectives of the Global South. There were two active observers at GCF, one from the Global South and another from the Global North. Both were formal representatives of a collaborative network that communicated and coordinated through listserv and had established a system of alternate observers to broadly represent the CSO organizations engaged with GCF. In the GCF system, the active observers were selected, through separate self-organized processes, from among organizations in developed and developing countries, each with its own criteria for nomination, voting and voting procedures. Active observers could take the floor during open sessions of the GCF Board, sharing their perspectives on policies, funding decisions and other relevant topics that had been coordinated transparently through listserv. For funded project proposals, the active observers also sought feedback and comments from CSOs and communities in the relevant project countries. Active

observers also signed confidentiality agreements and declared conflicts of interest in order to participate in both Board meetings and technical workshops.

4. With respect to key lessons learned from the GCF experience, the representative of the GCF observer network said that main one was that active observers could provide valuable information to a board and contribute to its institutional knowledge by drawing on their own insights and previous experience. In addition, there was complementarity between the activities of the UNFCCC-accredited CSO observers that engaged with GCF and those who were interested in engaging with the Adaptation Fund. That said, there was room for improvement in the quality of the participation. Further clarification was needed on the role of the active observers during the period between Board meetings, and dedicated funding was needed to support the travel of at least the active observers from the Global South. Active observers also needed greater access to limited distribution documents, the ability to participate in closed sessions of the Board and notification of any planned meetings with stakeholders, especially those planned by the secretariat.

5. Commenting on the draft guidelines for participation of active civil society observers (AFB/B.43/9, annex II), she said that the proposed gender balance and balance in representation from developing and developed countries were strong elements that needed to be retained, along with the selection of alternatives active observers, a self-organized selection process, travel support for developing country active observers and declaration of conflicts of interest. The document could, however, be improved by offering opportunities for active CSO observers to participate in any intersessional decision-making and inviting them into closed segments of Board meetings once they had signed a confidentiality agreement.

6. In response to a query about the regional balance of CSO active observers, Ms. Grim said that as listserv had only been recently established, no precise information was yet available on regional balance but that she would be in a position to provide more information at the Board's forty-fourth meeting. She added that while it was essential to focus on the Global South it was important to remember that the Global North remained a locus of resource mobilization. With respect to the differences between GCF and the Adaptation Fund, she said that in many ways civil society found it easier to work with the Adaptation Fund, which had some of the best available practices for CSO participation. While other funds could learn from the CSO experience at the Adaptation Fund, the Adaptation Fund could nevertheless still do more to encourage the active participation of civil society in its Board meetings.

7. Ms. Argueta concurred that the Adaptation Fund had a transparent process for the participation of civil society, which was not always the case at GCF, where the active observers often only became aware of the projects being considered 21 days before the Board meetings. The Adaptation Fund did a better job of making the project proposals available for comments in a timely way. She added that it was important for CSOs to build relationships to ensure stakeholder engagement in the adaptation process and the free, prior and informed consent of Indigenous Peoples and local communities when instituting projects in their traditional territories.

8. The Vice-Chair thanked the CSO representatives for their presentations and recommendations and recalled that the Board would be discussing the participation of civil society in the work of the Board under agenda item 10 (a).