



ADAPTATION FUND
Readiness Programme
for Climate Finance

Webinar: Key updates from the Decisions of the 43rd Adaptation Fund Board meeting

29 October 2024

Summary Report



Introduction

The Adaptation Fund (the Fund or alternatively, the AF) hosted a webinar to share key updates from the decisions of the 43rd Adaptation Fund Board meeting and its implications to the implementing entities, on 29 October 2024. All presentations made by the speakers are available on the AF website: <https://www.adaptation-fund.org/readiness/news-seminars/>

Welcome Remarks and key updates

The session began with welcome remarks from Mr. Farayi Madziwa, Readiness Program Officer at the secretariat, who highlighted the importance of this webinar due to the recent board decisions and the implications it will have on all implementing entities.

This was followed by important updates from the Manager of the Adaptation Fund (the Fund), Mr. Mikko Ollikainen, who expressed that this is a very important year in the big picture of climate finance of which the adaptation fund is a part of. In the very big picture, parties are going to meet at the COP 29 climate conference in Baku in about two weeks' time and a key topic of the webinar is NCQG, which is the new collective quantified goal on climate finance, which will be the new financing goal for addressing climate change which would replace the previous 100 billion US dollar goal that was set up. As the Fund, we have a very unique role to play among all the channels of climate finance that are available for developing countries. The focus on the upcoming cop was already visible, especially regarding the Funds transition to the Paris agreement. As you may recall, the Fund is in the process of transitioning from serving the Kyoto Protocol to serving the Paris agreement, and the parties have already decided that when the intended financial income from the Paris agreement, under the Paris agreement crediting mechanism becomes available, then the Fund will fully serve the Paris agreement. The board will continue its consideration of this matter at the next meeting in the spring, and in the interim, the Fund will remain fully operational, and the arrangements are not expected to affect the implementing entities (IEs) established relationship with the Fund in any way and there is no risk inside for the continuation of the projects being implemented by implementing entities.

The board also had on its agenda the update of the environmental and social policy of the Fund. At its previous meeting in April this year, the board decided to update the funds environmental and social policy, and to develop an Adaptation Fund policy on safeguarding against sexual exploitation, sexual assault and harassment. These tasks are underway and when drafts of those two policies are ready, the consultation process will start with all implementing entities and other stakeholders.

The board had also asked at the previous meeting in April for the secretariat to prepare an updated legal agreement, which will especially have amendments to section three, on policy compliance and section seven on financial reporting. That's applicable only to multilateral implementing entities (MIEs). The secretariat had worked on such an update and in the meeting two weeks ago, the board requested the secretariat to consult implementing entities on these draft amendments. And we will start the consultation with implementing. The board has started a discussion that it had requested previously on revisiting the various caps that the fund has in place, including the country cap, the cap per project, and the cap that's in place. Mikko ended his updates by thanking everyone for joining this webinar and reflecting on the rich and diverse network of IEs, who bring a lot of knowledge and experience to the Fund, and the importance of hearing from the IEs, their preferences, experiences, as the Fund continues working on policies.

Key highlights from the webinar include:

- Total technically reviewed projects amount to US\$ 372.36 M
- An invitation to 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.
- An invitation to 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.
- Increase of learning grants from US\$ 150,000 to US\$ 500,000 per project to provide support for national IEs. Adoption of a 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. Given the increased scope in learning grants, activities to be funded are Lessons learnt, Studies and publications, Technical guidance briefs, Policy briefs, Partnerships, Knowledge platforms, Adaptation financing workshops, Resource centers, Knowledge sharing events, Country exchanges, Learning courses
- Bundling of learning and innovation grants: Once an NIE determines there is a specific need to blend innovation and learning funds, they may decide to combine resources under the different funding windows for learning and innovation and access funding via a single submission. NIEs may submit a single proposal using the updated application form for small innovation grants which includes additional criteria for learning. Bundled proposal should not exceed US\$ 750,000 representing the combined maximum amount of learning (US\$ 500,000) and small innovation grants (US\$ 250,000). The process of review will be similar to that which is routinely conducted during review cycles for one-step process, and submissions will be accepted on a rolling basis.
- 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). This includes considering increasing threshold for material change for LLA and innovation projects, project No-cost extensions up to 18 months, revisions in project results framework; change in project disbursement schedule; requests of project budget reallocation up to 20% and requests for executing entities (EE) change that do not imply material change of project outcomes.
- Adoption and initiate the change of the definition of “Designated Authority” from an officer to an entity. 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.
- 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. The nomination of a government entity as the Designated Authority will replace any previously nominated officer as Designated Authority for that Party.

The Q&A session from the webinar is highlighted below:

Questions	Answers
<p>I saw on one the tables that there is one proposal in process for approval by DR presented by a RIE. I want to know if that budget of 10 million is part of the 20 million assigned to each country and also if that's part of the window of RIE or NIE? My concern is NIE is in process of accreditation, we can present a EOI for LLA at regional level?</p>	<p>Project was requested under single country action pillar so it will come out of single country cap of 20 million. For IEs to submit EOI, if they are undergoing reaccreditation, even if they have an active project under review, it cannot proceed further, and they can't receive funding. EOI is not project but just an invitation from Board to submit proposal. Normally, we will not consider EOI from those not accredited. But we have received some from IEs undergoing reaccreditation, as one of the IE received reaccreditation during the board meeting. Ultimately the IE was invited to submit a proposal as they got reaccredited, but this is a unique case. It is up to the board to decide on such unique cases. Normally if IE is not accredited, it is not encouraged to submit an EOI.</p>
<p>We have submitted a proposal and got approved for single country. We couldn't get PFG back when we submitted, can we get it now?</p>	<p>Sometimes a proposal is submitted as a concept and concept is recommended for endorsement. Sometimes after endorsement, the IE is interested in accessing PFG. Unfortunately, PFG request needs to be submitted with concept. There is no mechanism to approve PFG outside of that process. If we are under review process and board meeting is still away, if IE changes mind and wants to include PFG within the review cycle, then they can do that until the technical review is posted and PPRC and board review and make decision on them. So basically, if endorsement of pre concept or concept hasn't happened then it can be done.</p>
<p>Can you please clarify whether new decisions and approaches to Learning grant will anyhow affect current Learning grants under impact implementation?</p>	<p>This only applies to increased cap or if they submit it under the bundling innovation-learning cap.</p>
<p>We have an issue of Re-accreditation process that is taking long. I am wondering if this will not affect the project under implementation?</p>	<p>The reaccreditation process does not affect projects that are already under implementation. You should be able to continue the implementation normally, including receiving the remaining tranches</p>

	of funding for the project. Reaccreditation only affects any new projects that IEs might submit that need to be approved. Approval is done only after the status changes to "accredited".
What is the next step for a single country proposal that received approval this last board meeting? Do we get a formal decision email with guidance for way forward?	Prerna you will receive a Decision letter and then the Legal Agreement for signature. Following this the first tranche will be disbursed.
I would like to know if the new policy adapted will be applied to the current project under implementation or to newly approved project?	Any of the revisions would have any active impact on projects currently being implemented. All new amendments are simply to provide more clarity and guidance.
Can you please clarify whether new decisions and approaches to Learning grant will anyhow affect current Learning grants under impact implementation?	The new decision on learning grants applies to the new amount USD 500,00 and the bundling of learning and innovation grants only. The new max amount for learning grants is USD 500K and the small innovation grant max size is USD 250K. Therefore, the max bundled learning-innovation project size is USD 750K. Small innovation grants and learning grants (and scaleup grants) are for NIEs only.
I wanted to clarify for the next board meeting, for LOE, AF is already going to accept letters signed by any officer of the entity? IS that correct.	DA has to communicate the government officer to the AF or the officer has to be endorsed by the DA. The secretariat is working to make changes on the website, but before that can be done, we have to invite existing DA in country to nominate a government entity as a DA. Until that happens, we will continue to have the individual DA officer for projects currently being submitted. If you have received at this stage a formal nomination and LOE from the current DA stated on the website, then you are good to go.

Closing Remarks

The webinar closed with concluding remarks from Farayi Madziwa, who thanked everyone for their participation and their engagement in the webinar, despite joining from different time zones.