AFB/B.27/9/Rev.1
18 March 2016

ADAPTATION FUND BOARD
Twenty-seventh Meeting
Bonn, Germany, 17-18 March 2016

DECISIONS OF THE TWENTY-SEVENTH MEETING OF THE ADAPTATION FUND BOARD

Agenda Item 2: Election of the Chair

1. The Adaptation Fund Board decided to elect:

a) Mr. Naresh Sharma (Nepal, Least Developed Countries) as the Chair of the Board; and

b) Ms. Monika Antosik (Poland, Eastern Europe) as Vice-Chair of the Project and Programme Review Committee.

(Decision B.27/1)

Agenda Item 4: Organizational matters

(b) Organization of work

2. The Adaptation Fund Board decided to appoint Ms. Aida Velasco Munguira (Spain, Annex I Countries) as an alternate member of the Board to replace Mr. Hugo Potti Manjavacas following his resignation.

(Decision B.27/2)

Agenda Item 7: Report of the twenty-first meeting of the Accreditation Panel

Accreditation of the Partnership for Governance Reform (Kemitraan) (Indonesia):

3. Having considered the recommendation by the Accreditation Panel, the Adaptation Fund Board decided to accredit the Partnership for Governance Reform (Kemitraan) of Indonesia as a National Implementing Entity.

(Decision B.27/3)

Accreditation of the Dominican Institute of Integral Development (IDDI) (Dominican Republic):

4. Having considered the recommendation by the Accreditation Panel, the Adaptation Fund Board decided to accredit the Dominican Institute of Integral Development (IDDI) of Dominican Republic as National Implementing Entity.

(Decision B.27/4)

Agenda Item 8: Report of eighteenth meeting of the Project and Programme Review Committee

Funding for proposals under the pilot programme for regional activities

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

a) Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US$ 30 million;

b) Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and

c) Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.

(Decision B.27/5)

Review of project and programme proposals

Concept proposals

Proposals from National Implementing Entities (NIEs)

Small–size proposal:

Federated States of Micronesia: Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia (Project Concept; Micronesia Conservation Trust (MCT); FSM/NIE/Multi/2016/1; US$ 1,000,000)

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

a) Not endorse the project concept, as supplemented by the clarification response provided by the Micronesia Conservation Trust (MCT) to the request made by the technical review;

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

(i) The proposal should provide a higher level of detail regarding the concrete activities that will be delivered by the project and should further demonstrate that they address the identified climate change threats;

(ii) The proposal should include a description of the specific types of economic, social and environmental benefits of the proposed project;

(iii) The proposal should describe how the proposed project meets relevant national standards;

(iv) The proposal should state any potential complementarity with relevant ongoing projects/programmes;

(v) An initial consultative process has to take place at concept stage with key stakeholders such as representatives from communities, states and local governments;

(vi) The proposal should explain specifically how the adaptation benefits will be sustained overtime;

c) Not approve the Project Formulation Grant of US$ 30,000; and

d) Request MCT to transmit the observations under item (b) to the Government of the Federated States of Micronesia.

(Decision B.27/6)

Regular proposals

Antigua and Barbuda: McKinnon's Pond Watershed Restoration and Resilience project (Project Concept; Antigua and Barbuda Environment Department (ABED); ATG/NIE/Multi/2016/1; US$ 10,000,000)

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

(a) Not endorse the project concept, as supplemented by the clarification response provided by the Antigua and Barbuda Environment Department to the request made by the technical review;

(b) Suggest that the Antigua and Barbuda Environment Department reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) To fully build the logic of the project, the proposal should strengthen the climate change rationale for the project, including by clearly indicating which climate change impacts are being addressed by the project components, possibly by combining the section titled “threats” and “barriers to action and adaptive capacity” linked with project components accordingly;

(ii) The proponent should consider strengthening the community-driven and community-owned components of this project to complement government action, and more clearly outline how it will engage and involve women and other marginalized groups;

(iii) The proposal should provide additional detail on the intended scope and specifically, the adaptation benefit/review criteria, of the micro-loan program, which will be in part capitalized with Adaptation Fund funds;

(iv) The adaptation benefit from changing practices in wastewater management is not directly clear. The proposal should clarify these activities, and consider addressing non-point sources of pollution;

(c) Not approve the Project Formulation Grant of US$ 30,000; and

(d) Request Antigua and Barbuda Environment Department to transmit the observations referred to in sub-paragraph (b) to the Government of Antigua and Barbuda.

(Decision B.27/7)

Panama: Adapting to climate change through integrated water management in Panama (Project Concept; *Fundación Natura*; PAN/NIE/Water/2016/1; US$ 9,952,121)

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

(a) Endorse the project concept, as supplemented by the clarification response provided by *Fundación Natura* to the request made by the technical review;

(b) Request the secretariat to transmit to *Fundación Natura* the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:

(i) The full proposal should be more specific in explaining how the proposed activities address the impacts and risks caused by climate change and increase human and natural ecosystem resilience;

(ii) The full proposal should further identify and state compliance with relevant national standards, especially for activities delivering concrete results on the ground;

(iii) The full proposal should include an Environmental and Social Management Plan (ESMP) commensurate with the risks identified and in accordance with the project ESP categorization;

(c) Approve the Project Formulation Grant of US$ 30,000;

(d) Request *Fundación Natura* to transmit the observations under item (b) to the Government of Panama; and

(e) Encourage the Government of Panama to submit through *Fundación Natura* a fully-developed project proposal that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/8)

Proposals from Regional Implementing Entities (RIEs)

Guinea-Bissau: Scaling up climate-smart agriculture in East Guinea-Bissau (Project Concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); GNB/RIE/Agri/2015/1; US$ 9,979,000)

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

(a) Endorse the project concept, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review; and

(b) Encourage the Government of Guinea-Bissau to submit through BOAD a fully-developed project proposal.

(Decision B.27/9)

Peru: AYNINACUY: Strategies for adaptation to climate change, for the preservation of livestock capital and livelihoods in highland rural communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Arequipa Region (Project Concept; *Banco de Desarrollo de America Latina* (CAF); PER/RIE/Rural/2015/1; US$ 2,236,925)

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

a) Endorse the project concept, as supplemented by the clarification response provided by the Banco de Desarrollo de America Latina (CAF) to the request made by the technical review;

b) Request the secretariat to transmit to CAF the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:

(i) In the development of the fully-developed proposal, it is recommended that the analysis of the full cost of adaptation reasoning be done for each component;

c) Request CAF to transmit the observation under item (b) to the Government of Peru; and

d) Encourage the Government of Peru to submit through CAF a fully-developed project proposal that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/10)

Togo: Increasing the resilience of vulnerable communities in the agriculture sector of Mandouri in Northern Togo (Project Concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); TGO/RIE/Agri/2016/1; US$ 10,000,000)

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

a) Not endorse the project concept, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;

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

(i) The proposal should clarify and show the causal relationship between outputs and outcomes for each project component and also identify activities leading to the outputs for each component. This should include a clear explanation of the interrelationship between the different hard infrastructure systems contributing to overall climate resilience of the target area and community;

(ii) The proposal should clarify the extent and scale of hard infrastructure installation as this poses the greatest risk on project impacts. Initial consultation with licensing agencies and other environmental groups in this regard should be clearly shown;

(iii) A more comprehensive identification of project risks with due consideration of point (ii) above, should justify the project categorization in line with the environmental and social policy (ESP) of the Adaptation Fund;

(iv) The revised proposal should clarify how the proposed micro-credit facility would not create barriers related to gender; and

c) Request BOAD to transmit the observations under item (b) to the Government of Togo.

(Decision B.27/11)

Proposal from Multilateral Implementing Entity (MIE)

Lao People's Democratic Republic: Enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in Lao PDR (Project Concept; United Nations Human Settlements Programme (UN-Habitat); LAO/MIE/DRR/2016/1; US$ 4,500,000)

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

a. Endorse the project concept, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;

b. Request the secretariat to transmit to UN-Habitat the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The full proposal should describe more precisely the role that the governments will play in developing and implementing the assets planned in component 3;

(ii) The full proposal should explain how settlements, communities and institutional level efforts will be articulated, and how synergies will be built between these efforts;

(iii) The full proposal should provide evidence that interests and concerns of the different ethnic minorities and indigenous people are taken into account in the proposal;

(iv) The full proposal should further explain the arrangements that will be made to ensure maintenance of the infrastructures;

(v) The full proposal should include an environmental and management plan (ESMP) to identify the environmental and social policy risks when an unidentified sub-project (USP) is recognized;

c. Request UN-Habitat to transmit the observations under item (b) to the Government of Lao People's Democratic Republic; and

d. Encourage the Government of the Lao People's Republic to submit through UN-Habitat a fully-developed project proposal that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/12)

Fully-developed proposals

Proposal from National Implementing Entity (NIE)

Regular proposal:

Peru: Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries (Fully-developed Project Document; *Fondo de Promoción de las Áreas Naturales Protegidas del Perú* (PROFONANPE; Peruvian Trust Fund for National Parks and Protected Areas); PER/NIE/Coastal/2015/1; US$ 6,950,239)

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

a) Approve the project document, as supplemented by the clarification response provided by the *Fondo de Promoción de las Áreas Naturales Protegidas del Perú* (PROFONANPE) to the request made by the technical review;

b) Approve the funding of US$ 6,950,239 for the implementation of the project, as requested by PROFONANPE; and

c) Request the secretariat to draft an agreement with PROFONANPE as the National Implementing Entity for the project.

(Decision B.27/13)

Proposal from Regional Implementing Entity (RIE)

Niger: Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger, through Modern Irrigation Techniques (Fully-developed Project Document; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); NER/RIE/Food/2012/1; US$ 9,911,000)

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

a) Not approve the project document, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;

b) Suggest that BOAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues related to compliance with the Environmental and Social Policy (ESP) of the Fund:

(i) The fully-developed project document should ensure that the project activities will avoid conversion or degradation of critical natural habitats, including protected areas as described in the latest report of Niger to the Convention for Biological Diversity (2014);

(ii) The fully-developed project document should include an environmental impact assessment for a typical sub-project in one of the target areas, which would help in assessing typical risks related to those unidentified sub-projects, and revise the project's Environmental and Social Management Plan (ESMP) and Framework accordingly, including ensuring that the proposed mechanism is adequate; and

c) Request BOAD to transmit the observations under item (b) to the Government of Niger.

(Decision B.27/14)

Proposal from Multilateral Implementing Entity (MIE)

Albania: Developing Climate Resilient Agriculture and Flood Management in Albanian Western Lowlands (Fully-developed Project Document; the World Bank; ALB/MIE/DRR/2015/1; US$ 6,000,000)

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

a) Not approve the project document, as supplemented by the clarification response provided by the World Bank to the request made by the technical review;

b) Suggest that the World Bank reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The fully-developed project document should clarify how the project will ensure that homeowner and farmer beneficiaries could afford the implementation of risk reduction measures that are defined as a pre-requisite for benefitting from subsidized premiums;

(ii) The fully-developed project document should provide proof of consultation of the most vulnerable communities, including vulnerable farmers;

(iii) The proposal should clarify how the other relevant initiatives described in the document (including through United Nations Development Programme (UNDP), the World Bank, the German Society for International Cooperation (GIZ) and the European Union) are complementary to the project with a particular focus on the target areas;

(iv) The proposal should demonstrate compliance with the 15 principles of the Environmental and Social Policy (ESP) of the Adaptation Fund, including provisions for an Environmental and Social Management Plan, environmental and social risks or impacts monitoring, public disclosure and grievance mechanism to be put in place for the project; and

c) Request the World Bank to transmit the observations under item (b) to the Government of Albania.

(Decision B.27/15)

Review of proposals under the pilot programme for regional projects and programmes

Pre-concepts:

Proposal from Regional Implementing Entity (RIE)

Chile, Ecuador: Reducing climate vulnerability in urban and semi urban areas in cities in Latin America (Project Pre-concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); LAC/RIE/DRR/2015/1; US$ 13,910,400)

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

a) Endorse the project pre-concept, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;

b) Request the secretariat to transmit to CAF the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:

(i) As noted by the previous review of the pre-concept, it should consider and if possible, include the Chilean National Implementing Entity accredited by the Board, *Agencia de Cooperación Internacional de Chile* (AGCI), in the implementation arrangements of the project at the concept stage including for learning/experience building;

c) Request CAF to transmit the observations under item (b) to the Governments of Chile and Ecuador; and

d) Encourage the Governments of Chile and Ecuador to submit through CAF a project concept that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/16)

Proposals from Multilateral Implementing Entities (MIEs)

Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam: Groundwater resources in Greater Mekong Sub-region: Collaborative management to increase resilience (Project Pre-concept; United Nations Educational, Scientific and Cultural Organization (UNESCO); ASI/MIE/Water/2015/1; US$ 4,542,250)

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

a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review;

b) Request the secretariat to transmit to UNESCO the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) At the concept stage, the proposal should be more specific on the pilots that will be carried out, providing details on the concrete activities on the ground and clarifying what "information-based measures" are;

(ii) Also, the concept document should provide more information on the existing climate monitoring systems in the Greater Mekong Sub-region, and explain how they would be used to complement the ground water monitoring systems that will be developed through the project;

(iii) The concept document should also elaborate on the synergies and complementarities that will be sought with other relevant regional initiatives;

(iv) In addition to the regional engagement, policies and cooperation at national and sub-national levels, including adaptation plans, should be also explored;

(v) The concept document should elaborate on the benefits to and roles of target groups, including gender groups, in the project;

(vi) The concept document should explain how the project will coordinate with the Mekong River Commission and how groundwater user organizations will be part of the implementation arrangements of the project;

c) Request UNESCO to transmit the observations under item (b) to the Governments of Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam; and

d) Encourage the Governments of Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam to submit through UNESCO a project concept that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/17)

Colombia, Ecuador: Building adaptive capacity through food and nutrition security and peace-building actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area (Project Pre-concept; World Food Programme (WFP); LAC/MIE/Food/2015/1; US$ 14,000,000)

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

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

b) Request the secretariat to transmit to WFP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:

(i) The concept should encourage an equitable involvement of local organisations of the two countries in the implementation arrangements;

c) Approve the Project Formulation Grant of US$ 20,000;

d) Request WFP to transmit the observations under item (b) to the Governments of Colombia and Ecuador; and

e) Encourage the Governments of Colombia and Ecuador to submit through WFP a project concept that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/18)

The Comoros, Madagascar, Malawi, Mozambique: Building Urban Climate Resilience in South-eastern Africa (Project Pre-concept; United Nations Human Settlements Programme (UN-Habitat); AFR/MIE/DRR/2016/1; US$ 15,088,553)

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

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

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

(i) The proponent should consider reducing the total number of activities and associated executing partners at the national, regional and municipal levels in order to be able to focus resources adequately;

(ii) The proponent should explain how the project responds to existing strategic and policy priorities in the participating countries, cities and towns;

(iii) The proponent should consider reducing the funding request in line with the indicative funding structure agreed for the Pilot Programme on Regional Projects/ Programmes; and

c) Request UN-Habitat to transmit the observations under item (b) to the Governments of the Comoros, Madagascar, Malawi and Mozambique.

(Decision B.27/19)

Ethiopia, Kenya, Uganda: Agricultural Climate Resilience Enhancement Initiative (ACREI) (Project Pre-concept; World Meteorological Organization (WMO); AFR/MIE/Food/2015/2; US$ 6,800,000)

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

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

b) Encourage the Governments of Ethiopia, Kenya and Uganda to submit through WMO a project concept for the Board's consideration.

(Decision B.27/20)

Kyrgyzstan, Tajikistan, Uzbekistan: Reducing vulnerabilities of populations in Central Asia region from glacier lake outburst floods in a changing climate (Project Pre-concept; United Nations Educational, Scientific and Cultural Organization (UNESCO); ASI/MIE/DRR/2015/1; US$ 5,000,000)

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

a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review; and

b) Encourage the Governments of Kyrgyzstan, Tajikistan and Uzbekistan to submit through UNESCO a project concept for the Board's consideration.

(Decision B.27/21)

Concept proposals

Proposal from Regional Implementing Entity (RIE)

Benin, Burkina Faso, Ghana, Niger, Togo: Promoting Climate-Smart Agriculture in West Africa (Project Concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); AFR/RIE/Food/2015/1; US$ 14,000,000)

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

a) Not endorse the project concept, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;

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

(i) Given that a number of other initiatives intersecting agriculture and adaptation are taking place in the region already, the concept should better explain what the gaps are that each proposed activity is aiming to fill;

(ii) The proposal should briefly explain how the project would be aligned with the identified climate change adaptation and sustainable development related strategies and plans in each country;

(iii) It appears the proponent has not conducted any consultations at the community level in two countries, Ghana and Togo for the purposes of this proposed project – it is necessary to do so even at the concept stage, and reflect the outcomes of the consultations in the proposal;

(iv) The proponent should conduct a more robust environmental and social risk screening, in light of the Environmental and Social Policy (ESP) of the Adaptation Fund, and assign the project a risk category;

(v) The proponent should revise administrative costs of the proposal so that they remain below the limit of 20 per cent set for regional projects and programmes;

c) Not approve the Project Formulation Grant of US$ 80,000; and

d) Request BOAD to transmit the observations under item (b) to the Governments of Benin, Burkina Faso, Ghana, Niger and Togo.

(Decision B.27/22)

Proposal from Multilateral Implementing Entity (MIE)

Burundi, Kenya, Rwanda, Tanzania, Uganda: Adapting to Climate Change in Lake Victoria Basin (Project Concept; United Nations Environment Programme (UNEP); AFR/MIE/Water/2015/1; US$ 5,000,000)

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

a) Endorse the project concept, as supplemented by the clarification response provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;

b) Request the secretariat to transmit to UNEP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The proposal should further explain how the non-climatic factors identified will be addressed either through the project or other initiatives;

(ii) The fully-developed project document should provide more details on the estimated scope of activities under the project, especially the concrete adaptation actions and the small grants programme (SGP) under outputs 3.1 and 3.2 and 4.1;

(iii) In relation with the SGP, the proposal should explain how it will seek complementarity with existing Global Environment Facility SGPs implemented in the countries covered by the project;

(iv) The fully-developed project document should be more explicit about the linkages between this and the project Planning for Resilience in East Africa through Policy, Adaptation Research and Economic Development (PREPARED) and the project Strengthening Institutions for Trans-boundary Water Management in Africa (SITWA);

(v) The fully-developed project document should demonstrate that a comprehensive consultation process has been undertaken, covering the target countries and sites, including key regional stakeholders;

(vi) Given the number of unidentified subprojects, the fully-developed project document should include the description of an environmental and social risks screening system for such subprojects and an environmental and social management plan for the whole project; and

(vii) The fully-developed project document should describe which role, if any, the Adaptation Fund National Implementing Entities in the target countries will play in the project;

c) Approve the Project Formulation Grant of US$ 80,000;

d) Request UNEP to transmit the observations under item (b) to the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda; and

e) Encourage the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda to submit through UNEP a fully-developed project document that would meet the review criteria and address the observations under item (b) above.

(Decision B.27/23)

Experience gained by the PPRC in operationalizing decision B.25/15 (tracking changes made to the previous versions of proposals)

24. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to request the secretariat to provide to proponents, for harmonization purposes, with technical guidance on the tracking of changes in the proposals.

(Decision B.27/24)

Request for project revision and budget change: UNDP (Maldives)

25. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to approve revised project document for the project "Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island", as requested by the United Nations Development Programme (UNDP), including the budget changes made in that document.

(Decision B.27/25)

Agenda Item 9: Report of eighteenth meeting of the Ethics and Finance Committee

Evaluation of the Fund

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

(a) Initiate the second phase of the evaluation of the Adaptation Fund (the Fund), drawing upon its first phase:

(i) Establish an Evaluation task force comprised of Ms. Fatuma Mohamed Hussein, Mr. Marc-Antoine Martin and Mr. Philip S. Weech to work intersessionally, supported by the secretariat, to develop terms of reference and a request for proposals for the second phase of the evaluation of the Fund with inputs from civil society organizations through the Adaptation Fund NGO network and in coordination with independent evaluation organizations (including the Global Environment Facility Independent Evaluation Office (GEF-IEO)) for quality assurance and present them to the nineteenth meeting of the EFC;

(ii) Request the secretariat to further investigate the availability of the previous Independent Review Panel members and continue discussions with the GEF-IEO, and to present updated options for the second phase of the evaluation of the Fund to the nineteenth meeting of the EFC; and

(b) Request the secretariat to prepare options for providing the Fund with an evaluation function, building upon previous work related to the evaluation framework of the Fund, for consideration at the nineteenth meeting of the EFC.

(Decision B.27/26)

Effectiveness and efficiency of the accreditation process

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

(a) Approve the proposal to enhance the effectiveness and efficiency of the accreditation process, as contained in document AFB/EFC.18/4;

(b) Request the secretariat to:

(i) Finalize the guidance notes on the environmental and social policy and gender policy, for consideration by the Board during the intersessional period;

(ii) Publish the approved accreditation timeline checklist and the guidance notes for the accreditation process on the website of the Adaptation Fund;

(iii) Communicate the approved accreditation timeline checklist and guidance notes to the Designated Authorities and implementing entities; and

(iv) Translate the guidance notes into the official languages of the United Nations.

(Decision B.27/27)

Gender policy and action plan

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

(a) Approve:

(i) The gender policy as contained in annex I of document AFB/EFC.18/5/Rev.1;

(ii) The gender action plan as contained in annex II of document AFB/EFC.18/5/Rev.1; and

(iii) The amendments to the main text of the operational policies and guidelines for Parties to access resources from the Adaptation Fund (OPG) and annex 3 to the OPG, as contained in document AFB/EFC.18/5/Add.1; and

(b) Request the secretariat to revise annex 4 to the OPG taking into account comments submitted by members of the Board by 30 June 2016 for consideration by the EFC at its nineteenth meeting.

(Decision B.27/28)

Report on direct project services

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

(a) Reiterate its request that Requests for direct project/programme services (RDPS) be submitted to the secretariat before an agreement is signed between the implementing entity and the government or executing entity for the provision of those services, with an understanding that analysis of the requests may suggest alternative conclusions, such as revising the project to avoid direct services, or contracting such services to a third party;

(b) Request the secretariat to include the provision under a) above in the template project agreement between the Board and the implementing entity;

(c) Request the Accreditation Panel to take RDPS issues into account when deliberating on the reaccreditation of an implementing entity; and

(d) Request the Evaluation task force to include an analysis of the RDPS received by the secretariat from implementing entities in the terms of reference for the second phase of the evaluation of the Adaptation Fund.

(Decision B.27/29)

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

(a) Approve, on an exceptional basis, in order to avoid putting the project in jeopardy, the provision by the United Nations Development Programme (UNDP) of Direct Project Services up to the amount of US$ 82,471 for the project in Turkmenistan; and

(b) Request UNDP to highlight, in its forthcoming Project Performance Reports, the ways in which the provision of direct project services had helped strengthen the capacity of the national executing entity.

(Decision B.27/30)

Complaint handling mechanism

31. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to request the secretariat to prepare a note on possible courses of action to address the complaints related to implementing entities and report back to the nineteenth meeting of the EFC.

(Decision B.27/31)

Financial issues

Investment income earned by Implementing Entities (IEs)

32. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to request the secretariat to hold further discussions with the Trustee on a proposal on the best approach to deal with the interest generated by implementing agencies on amounts held in respect of project grants and to report back to the nineteenth meeting of the EFC.

(Decision B.27/32)

Work plan for the fiscal year 2017

33. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to approve the work plan and the tentative work schedule contained in document AFB/EFC.18/8, subject to approval by the Board of the readiness programme proposal contained in document AFB/B.27/7.

(Decision B.27/33)

Board and secretariat, and trustee budgets for the fiscal year 2017

34. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC) and the information contained in document AFB/EFC.18/9, the Adaptation Fund Board decided to:

a) Note the explanations by the secretariat regarding:

(i) The personnel cost increase due to the need to hire a temporary replacement for the Operations Associate, as well as the need to convert two non-renewable positions into GE term contracts, in order to ensure the provision of adequate secretariat services to the Board;

(ii) The increased costs of the Board meetings charge due to the fee for the usage of common conference rooms in the United Nations Campus Bonn; and

(iii) The increased costs in office space in the fiscal year 2016 as a result of the unavoidable move of the secretariat offices to a new building where the lease cost is lower resulting in a net saving in the office space cost in the fiscal year 2017;

b) Approve, from the resources available in the Adaptation Fund Trust Fund:

(i) The revised proposal contained in annex II to the present report, including **US$4,522,837** to cover the costs of the operations of the Board and secretariat over the period 1 July 2016 to 30 June 2017, comprising **US$ 3,042,337** for the secretariat administrative services (the main secretariat budget), **US$ 400,000** for the overall evaluation (phase II), **US$ 464,000** for accreditation services and **US$ 616,500** for the readiness programme **subject to approval by the Board of the readiness programme**; and

(ii) The proposed budget of **US$ 669,000** for trustee services to be provided to the Adaptation Fund over the period 1 July, 2016 to 30 June, 2017.

(Decision B.27/34)

Other matters

Pending recommendations included in the overall evaluation (phase I)

35. Having considered the comments and recommendation of the Ethics and Finance Committee (EFC), the Adaptation Fund Board decided to include, in the agenda of its twenty-eighth meeting, an item on the pending recommendations arising out of the first phase of the overall evaluation of the Adaptation Fund.

(Decision B.27/35)

Agenda Item 10: Resource mobilization

Having considered the report and recommendations of the Resource Mobilization Task Force, the Adaptation Fund Board decided to:

36. Request the secretariat to prepare, in collaboration with the Resource Mobilization Task Force, an updated Resource Mobilization Strategy, to be presented to the Board at its twenty-eighth meeting;

37. Set a new resource mobilization target of US$ 80 million per year for the biennium 2016-2017; and

38. In order to update the composition of the Task Force set up by decision B.25/1, appoint the following new members of the Task Force, to replace members that have left:

(i) Mr. Antonio Navarra (Italy, Western European & Others Group), who would replace Mr. Michael Kracht as a co-coordinator of the task force;

(ii) Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe); and

(iii) Mr. Lucas di Pietro (Argentina, Latin America & the Caribbean).

(Decision B.27/36)

Agenda Item 12: Issues remaining from the twenty-sixth meeting

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

39. Having considered document AFB/B.27/6 and the update provided by the secretariat, the Adaptation Fund Board decided to request:

a) The Chair and Vice-Chair to continue consultations with the Co-Chairs of the Green Climate Fund (GCF) on potential linkages between the Adaptation Fund and the GCF;

b) The secretariat to

(i) Continue its collaboration with the GCF secretariat on the issues identified in decision B.25-26; and

(ii) Update document B.27/6 with the outcome of those discussions for consideration at the twenty-eighth meeting of the Board.

(Decision B.27/37)

(b) Implementation of the readiness programme

40. Having considered document AFB/B.27/7, the Adaptation Fund Board decided to:

a) Take note of the progress report for phase II of the readiness programme;

b) Integrate the readiness programme into the Adaptation Fund work plan and budget; and

c) Approve the proposal for the readiness programme for the fiscal year 2017 (FY17), comprising its work programme for FY17 with the funding of US$ 616,500 to be transferred to the secretariat budget and US$ 590,000 for direct transfers from the resources of the Adaptation Fund trust fund for allocation as small grants.

(Decision B.27/38)

(c) Proposal to modify the country cap

41. The Adaptation Fund Board (the Board) decided to:

a) Maintain, for the time being, the cap per country established by decision B.13/23; and

b) Request the secretariat to prepare, for consideration by the Board at its twenty-eighth meeting, options for a framework for a medium-term strategy for the Adaptation Fund, that would reflect the strategic priorities of the Fund approved by the Conference of the Parties serving as the meeting of the Parties (CMP) and take into account the findings of the Phase I of the Overall Evaluation of the Fund, as well as, *inter alia*, the following matters:

(i) The financial situation of the Adaptation Fund, including the work done for resource mobilization for the Fund;

(ii) The progress being made on accreditation of implementing entities and developing readiness to access adaptation finance;

(iii) Allocation of funds, including the cap of 50 per cent set for proposals submitted by multilateral implementing entities by decision B.12/9, the cap per country set by decision B.13/23 and consideration of regional projects and programmes within and beyond the pilot programme for regional projects and programmes set up by decision B.25/28; and

(iv) The discussion on potential linkages between the Adaptation Fund and the Green Climate Fund (GCF).

(Decision B.27/39)

Agenda Item13: Issues arising from the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) and the eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 11).

42. Having considered the outcome of the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) and the eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 11), the Adaptation Fund Board decided to request the secretariat to take into account the discussion under this agenda item and comments from Board members and the CSO submitted by 30 June 2016, when preparing the draft report to CMP 12 for consideration by the Board during the intersessional period.

(Decision B.27/40)