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**Conference of the Parties serving as the
meeting of the Parties to the Kyoto Protocol**

Nineteenth session

Baku, 11–22 November 2024

Item 6 of the provisional agenda

Matters relating to the Adaptation Fund

**Conference of the Parties serving as the
meeting of the Parties to the Paris Agreement**

Sixth session

Baku, 11–22 November 2024

Item 11(g) of the provisional agenda

Matters relating to finance

Matters relating to the Adaptation Fund

Report of the Adaptation Fund Board

Note by the Chair of the Adaptation Fund Board

Addendum

This addendum to the report of the Adaptation Fund Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its nineteenth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session covers the period from 1 July to 11 October 2024. The text is reproduced in the annex as received from the Adaptation Fund Board on 6 November 2024.



Annex

Addendum to the report of the Adaptation Fund Board

I. Background

1. This addendum to the report of the Adaptation Fund Board (the Board) at the nineteenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 19) and at the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 6) provides an update to the CMP and the CMA on progress made by the Board during the period from 1 July 2024 to the forty-third meeting of the Board which ended on 11 October 2024. Milestones achieved are summarized in the below sections.

II. Election of the Chair and Vice-Chair of the Board.

2. At its forty-third meeting the Board elected by consensus Washington Zhakata (Zimbabwe, Africa) as the Vice-Chair of the Board for the term of office commencing at its forty-fourth meeting in 2025.

III. Changes in the composition of the Board

3. During the reporting period, the Board appointed Mr. Abdulaziz Albutti (Saudi Arabia, Asia-Pacific) as a member replacing Mr. Albara Tawfiq (Saudi Arabia, Asia-Pacific), as well as appointed Ms. Akram Mirzakhani (Iran, Asia-Pacific States) as an alternate member replacing Mr. Massoud Rezvani Rahaghi (Iran, Asia-Pacific).

IV. Accreditation Panel

4. The forty-second meeting of the Accreditation Panel (the Panel) was held on 28–29 August, 2024. The Chair of the Panel 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.

5. At the forty-third meeting of the Board, the Board approved the re-accreditation of the Inter-American Development Bank and the United Nations Development Programme, both as multilateral implementing entities.

V. Adaptation Fund Board committees

6. At its thirty-fourth meeting the Ethics and Finance Committee (EFC) considered and made recommendations to the Board on the following items: Annual Performance Report for fiscal year 2024; the work update of the Technical Evaluation Reference Group of the Adaptation Fund; a management response to the recommendations of the thematic evaluation of the accreditation process; thematic evaluation on scalability and an initial management response to this evaluation; two ex post evaluations for completed Adaptation Fund projects. The committee also heard a report on project post approval policies gap assessment. The EFC also heard updates on the financial status of the Adaptation Fund Trust Fund and CER monetization, the budget of the Board, Secretariat, the Evaluation Function, and the Trustee, as well as an update on the Strategic Results Framework revision process.

7. At its thirty-fourth meeting, the Project and Program Review Committee (PPRC) considered and made recommendations on the following items: eight single-country project and programme proposals; and two regional project and programme proposals; one large innovation project proposal; one small innovation grant; one Adaptation Climate Innovation Accelerator Programme proposal; expressions of interest to implement a locally-led adaptation aggregator programme; exploring options on the further use of adaptation fund resources to fund innovation; an update on the identified needs for external support for advisory services for innovation and options for support; guidance for implementing entities for application of updated operational policies for learning grants; a framework approach for bundling small innovation and learning grants; an assessment of project implementation and cancellation requests; a report of the secretariat on the intersessional review cycle for readiness grants.

VI. Resources in the Adaptation Fund Trust Fund

8. As of 30 September 2024, the trustee had sold 34.6 million Fund Certified Emission Reduction (CER) units at an average price of USD 6.3, generating revenues of USD 216 million. Receipts from the monetization of CERs amounted to USD 0.2 million during the 3-month period from 1 July 2024 to 30 September 2024. As at 30 September 2024, 12.6 million CERs were still available to be sold, in accordance with the CER monetization guidelines adopted by the Board. The Board has instructed the trustee to transfer USD 792.1 million to implementing entities to date. In addition, the Fund had a 46.8 million balance of Assigned Amount Units (AAUs).

9. Funds available for new funding approvals amounted to USD 489.7 million as of 30 June 2024.

VII. Funding decisions on adaptation projects and programmes

10. CMP 11 requested the AFB to provide in its reports to the CMP further information on the status of the AF pipeline, including projects at different stages of development. The requested information is contained in Annex II.

11. Demand and need for AF funding continued to grow. The active pipeline of project and programme proposals submitted in the past 18 months but not yet approved amounted to USD 340.46 million (see Annex II).

12. In response to suggestions and requests made by civil society and non-governmental organization observers, all project and programme proposals are posted on the AF website as they are received and interested stakeholders may electronically send comments. Comments on proposals submitted to the AFB through its secretariat are posted on the website and are considered by the PPRC.

13. At its forty-third meeting, the Board approved four single-country proposals for funding for a total amount of USD 27.8 million, endorsed four single-country concept notes totalling almost USD 40 million, and endorsed a regional concept note and pre-concept note for a total of USD 27.9 million. The Board also approved a proposal and endorsed a concept note for large innovation grants totalling USD10 million and approved a small innovation grant for USD 244,459 and an Adaptation Fund Climate Innovation Accelerator proposal for the provision of coordination services for USD 2.7 million. The above approved proposals and endorsed concepts are for agriculture, coastal management, food security, nature-based solutions, urban development, water management, disaster risk reduction, early warning systems, ecosystem resilience and multisectoral projects.

VIII. Readiness Programme for Climate Finance

14. Under the second MTS (2023–2027), the Fund’s Readiness Programme supports developing countries with readiness and capacity-building support across all strategic pillars

of action, innovation and learning and sharing. During the reporting period, the following activities were carried out under the readiness programme

15. The AFB approved two readiness package grant proposals for support for accreditation intersessionally during the forty-second and forty-third meetings of the board.¹

16. The 2024 annual climate finance readiness seminar for accredited IEs was held in Johannesburg, South Africa from 16-19 September 2024. The seminar was attended by 27 accredited NIEs, 6 accredited RIEs, in addition to experts by AfriLabs and two MIEs and World Intellectual Property Organization (WIPO). The 2024 IE seminar focused on the theme of innovation. The seminar was strategically designed to transform the understanding of the participants in how to design and implement innovation adaptation projects. In addition, the secretariat facilitated a platform for engagement with implementing entities on relevant, recent developments within the AF and the international climate change adaptation space.

17. The secretariat also hosted a webinar on the Evaluation Policy Considerations in Project Design on 31 July 2024. This webinar introduced the newest AF Evaluation Policy Guidance Note, Evaluation in Project Design. This guidance note is the 11th in the series to support implementation of the Fund's Evaluation Policy. The webinar discussed how the policy applies to proposals and how putting good monitoring and evaluation principles into place at the design stage can improve project quality.

IX. Implementation of the Resource Mobilization Strategy

18. The Board further implemented its resource mobilization strategy and action plan for the period 2022-2025 that was approved at its thirty-ninth meeting and continued to raise awareness on its 2024 resource mobilization target adopted at its 42nd meeting in April 2024 of USD 300 million from a higher number of contributors than the previous year. The Board through its secretariat engaged with existing and potential contributor governments through targeted bilateral discussions and presentations during visits to contributor governments and relevant multilateral fora such as New York Climate Week in September 2024. The Manager of the secretariat continued his bilateral engagement with the UNFCCC Executive Secretary and incoming COP29 President to garner support and advocacy for the Fund's resource mobilization, as well as participation in the 2024 AF Contributor Dialogue to be convened at COP29. The Board through its secretariat continued to collaborate with UNF to enhance the donation link for private sector contributions and with various carbon market actors and initiatives on the Fund's role in channelling share of proceeds from international carbon markets to urgent climate adaptation for the most vulnerable.

X. Operational linkages and relations with institutions under the Convention

19. The operational linkages with the Green Climate Fund (GCF) continues with the scaling-up approach between the Fund and the GCF, jointly supporting the community of practice for direct access entities (CPDAE), and the discussion on the complementarity between the Fund and GCF on matters related to accreditation. In accordance with the Board decision B.40/74 requesting the secretariat to update the Board only annually, there has been no written report during the reporting period. 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 GCF, 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. The Action Plan was present at the forty-third meeting of the Board and the information contained in document AFB/B.43/15. The Board welcomed the efforts made on the draft action plan and requested the

¹ AFB decision B.42-43/22, AFB decision B.42-43/23.

secretariat to continue coordinating with the other multilateral climate funds and update the Board on the progress in the development of the draft action plan through the report on activities of the secretariat.

XI. Status of preparation of the arrangements for the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement, and Status of development of a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs)

20. Regarding the arrangements for the transition of the AF from the Kyoto Protocol to the Paris Agreement, the AFB continued to consider this matter at its forty-third meeting. On the basis of Board inputs received through intersessional consultation between its forty-second and forty-third meetings, the Board considered a draft new memorandum of understanding regarding secretariat services and draft amendments to:

- (a) The rules of procedure of the AFB,
- (b) The operational policies and guidelines for parties to access resources from the AF; and
- (c) The strategic priorities, policies and guidelines of the AF.

21. The Board also considered the trustee's note on steps to finalize terms and conditions for trustee services and a draft of new terms and conditions noting the draft new terms and conditions and a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs) can only be finalized only after the completion of the pending work/decisions by the CMP and CMA, related to the development and the operationalization of the Paris Agreement Article 6.4 mechanism.

22. The Board focused its discussions on the ROP and made progress agreeing on a number of issues or principles, however, was not able to finalize its discussions on the draft amendments to the ROP due to time constraints.

XII. Knowledge Management

23. The Board made progress under its strategic pillar of learning and sharing of the second MTS by continuing to inform and advance global knowledge and processes on effective adaptation based on lessons from the Fund portfolio at the local level. During the reporting period, the following knowledge and learning activities and products were carried out:

24. The secretariat completed learning materials for three e-learning courses which provide an overview of Gender Mainstreaming and how to integrate gender responsive approach throughout the lifecycle of the AF projects and programmes. This course is designed as self-paced and is available to implementing entities and relevant stakeholders interested in learning about gender mainstreaming in AF projects/programmes design and implementation. During the reporting, the Secretariat produced the same e-learning in French and Spanish for regional audiences.

25. The Fund continued participation and collaboration with the locally-led adaptation (LLA) community of practice where relevant information was shared amongst peer organizations on various topics, including on principals of locally-led action, local and youth engagement in climate change adaptation.

26. During the reporting period, the Secretariat completed two studies aimed at enhancing stakeholders' knowledge about the Fund's processes and on topics relevant to the AF portfolio such as urban resilience and climate change adaptation in least developed countries (LDC). These knowledge products are: a study focusing lessons learned from AF-funded projects in enhancing climate resilience and building adaptive capacities in urban ecosystems, the second study offers an overview of adaptation interventions in LDCs

focusing on lessons learned from the AF portfolio. Another study focusing on gender mainstreaming in the agriculture and food security sector with project examples from the AF portfolio is in progress.

27. The secretariat participated in a virtual training event organized by Spanish Office for Climate Change of the Ministry of Ecological Transition and Demographic Challenge where stakeholders from Latin America and the Caribbean had an opportunity to learn about the accreditation process as well information on accessing AF funding windows.

28. The Board at its forty-third meeting took note of the findings of the Adaptation Fund Technical Evaluation Reference Group's thematic evaluation of the Fund's scalability concept and practices evaluation, agreeing to reflect the learning from these evaluations in action plans to implement recommendations. The Board also took note of the two ex post evaluations of completed Adaptation Fund Projects.

XIII. Technical Evaluation Reference Group of the Adaptation Fund

29. The Chair of the AF-TERG presented at EFC.34 an update of the work of AF-TERG covering the completion of the activities under the initial work programme of the group and the first months of the implementation of the second multi-year work programme of AF-TERG. The Chair emphasized the importance of the evaluation function for learning and accountability and introduced the progressed on some of the core activities of the group, such as the launch of the midterm review of the Second Medium Term Strategy of the Fund and the Comprehensive Evaluation of the Fund, as well as the collaboration activities with other climate funds - the GCF and the GEF.

XIV. Enhanced civil society engagement

30. Following the decision of the Board made at its forty-second meeting to establish the status of "active civil society observer of the Adaptation Fund", which will be granted to civil society representatives of the observer organizations accredited to the UNFCCC, entitling them to participate in the proceedings of the open segments of Board meetings and to make interventions, the Board further considered the draft Adaptation Fund Vision and Guidelines for Enhanced Civil Society Engagement as well as the draft guidelines for participation of active civil society observers at its forty-third meeting. The Board decided to continue its discussion on the matter at its forty-fourth meeting.

XV. Gender

31. Under the second MTS and the AF Gender Policy and Action Plan, the Fund continued to advance its work on the crosscutting theme of gender equality and the empowerment of women and girls. In terms of gender balance in the composition of the Board, 10 of the 23 occupied member and alternate seats (43.5 per cent) (9 of the 32 seats were vacant) were held by women, as at October 11th, 2024. During the reporting period, the secretariat completed a pilot implementation of the AF Gender Scorecard (GSC) for fiscal year 2024. The summary of the result of the GSC implementation for the fiscal year 2024 was presented in the gender section of the AF Annual Performance Report for the fiscal year 2024², and the full GSC report is expected to be available as informational document. As part of the efforts for gender-responsive knowledge management, AF gender knowledge study is under development to identify best practices on gender mainstreaming and lessons learned from AF projects and programmes in the agriculture and food security sectors.

² Document AFB/EFC.34/9, available at https://www.adaptation-fund.org/wp-content/uploads/2024/09/AFB.EFC_34.8_Annual-Performance-Report-for-FY24.pdf.

XVI. Independent review of the Environment and Social Policy

32. In response to the mandate from decision 5/CMP.17, paragraph 15, in which the CMP requested the Board to review and update the environmental and social policy, the draft of the updated ESP is in the process of final revision, and the consultation will be launched once the draft is finalized.

XVII. Recommendations for actions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its nineteenth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session

33. The CMP and CMA may wish to take note of the information contained in this addendum to the report of the Adaptation Fund Board to the CMP at its nineteenth session and to the CMA at its sixth session.

Annex I

Project funding approvals by the Adaptation Fund Board between 1 July and 11 October 2024

Table 1
Project-related funding decisions made at the 43rd meeting of the Adaptation Fund Board
(United States dollars)

| 1. Full | | | | | | | | |
|-----------------------|----------------------------------|------------|----------------------|------------------|-------------------|-------------------|----------|------------------------|
| Proposals: | Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| Single-country | | | | | | | | |
| NIE | | | | | | | | |
| | Benin | FNEC | AFB/PPRC.34/14 | 3,053,744 | | | Approve | 3,053,744 |
| | Peru | PROFONANPE | AFB/PPRC.34/15 | 4,746,620 | | | Approve | 4,746,620 |
| RIE | | | | | | | | |
| | Pakistan | ICIMOD | AFB/PPRC.34/17 | | 10,000,000 | | Approve | 10,000,000 |
| MIE | | | | | | | | |
| | Azerbaijan | UN-Habitat | AFB/PPRC.34/18 | | | 10,000,000 | Approve | 10,000,000 |
| Sub-total, USD | | | | 7,800,364 | 10,000,000 | 10,000,000 | | 27,800,364 |
| 2. Concepts: | | | | | | | | |
| Proposals: | Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| Single-country | | | | | | | | |
| RIE | | | | | | | | |
| | Dominican Republic | CAF | AFB/PPRC.34/19 | | 10,000,000 | | Endorse | - |
| MIE | | | | | | | | |
| | Bolivia (Plurinational State of) | IFAD | AFB/PPRC.34/20 | | | 10,000,000 | Endorse | - |
| | Somalia | IFAD | AFB/PPRC.34/21 | | | 10,000,000 | Endorse | - |
| | Tunisia | WFP | AFB/PPRC.34/22 | | | 9,997,000 | Endorse | - |
| Sub-total, USD | | | | - | 10,000,000 | 29,997,000 | | - |

| 3. Concepts: | | | | | | | | |
|-----------------------|--|------|----------------------|------------------|------------------|-------------------|----------|------------------------|
| Regional | Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| MIE | Bolivia (Plurinational State of), Ecuador, Peru | IFAD | AFB/PPRC.34/23 | | | 14,000,000 | Endorse | - |
| Sub-total, USD | | | | - | - | 14,000,000 | | - |

| 4. Project Formulation | | | | | | | | |
|------------------------|--|------|----------------------|------------------|------------------|------------------|----------|------------------------|
| Regional | Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| MIE | Bolivia (Plurinational State of), Ecuador, Peru | IFAD | AFB/PPRC.34/23/Add.1 | | | 100,000 | Approve | 100,000 |
| Sub-total, USD | | | | - | - | 100,000 | | 100,000 |

| 5. Pre-concepts: | | | | | | | | |
|-----------------------|---|------|----------------------|------------------|------------------|-------------------|----------|------------------------|
| Regional | Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| MIE | Argentina, Chile, Colombia, Peru | UNEP | AFB/PPRC.34/25 | | | 13,915,000 | Endorse | - |
| Sub-total, USD | | | | - | - | 13,915,000 | | - |

| 6. Project Formulation | | | | | | | | |
|------------------------|-----------|----|----------------------|------------------|------------------|------------------|----------|------------------------|
| Regional | Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| Grants (PFG) | | | | | | | | |

| <i>Pre-concepts:</i> | | | | | | | | |
|--|---|-----------|-----------------------------|-------------------------|-------------------------|-------------------------|-----------------|-----------------------------------|
| <i>Regional</i> | | | | | | | | |
| MIE | | | | | | | | |
| | Argentina, Chile, Colombia, Peru | UNEP | AFB/PPRC.34/25/Add.1 | | | 36,000 | Approve | 36,000 |
| Sub-total, USD | | | | - | - | 36,000 | | 36,000 |
| TOTAL (1+2+3+4+5+6) | | | | 7,800,364 | 20,000,000 | 68,048,000 | | 27,936,364 |
| <i>7. Full Proposals</i> | | | | | | | | |
| <i>Single Country: Large Innovation Projects</i> | <i>Countries</i> | <i>IE</i> | <i>PPRC Document number</i> | <i>NIE funding, USD</i> | <i>RIE funding, USD</i> | <i>MIE funding, USD</i> | <i>Decision</i> | <i>Funding set aside, USD</i> |
| NIE | | | | | | | | |
| | Bangladesh | PKSF | AFB/PPRC.34/26 | 5,000,000 | | | Approve | 5,000,000 |
| Sub-total, USD | | | | 5,000,000 | - | - | | 5,000,000 |
| <i>8. Concepts</i> | | | | | | | | |
| <i>Single Country: Large Innovation Projects</i> | <i>Countries</i> | <i>IE</i> | <i>PPRC Document number</i> | <i>NIE funding, USD</i> | <i>RIE funding, USD</i> | <i>MIE funding, USD</i> | <i>Decision</i> | <i>Funding set aside, USD</i> |
| MIE | | | | | | | | |
| | Somalia | UNEP | AFB/PPRC.34/27 | | | 5,000,000 | Endorse | - |
| Sub-total, USD | | | | - | - | 5,000,000 | | - |
| <i>9. Project Formulation Grants (PFG) Single Concept: Large Innovation Projects</i> | | | | | | | | |
| <i>Single Concept: Large Innovation Projects</i> | <i>Countries</i> | <i>IE</i> | <i>PPRC Document number</i> | <i>NIE funding, USD</i> | <i>RIE funding, USD</i> | <i>MIE funding, USD</i> | <i>Decision</i> | <i>Funding set aside, USD</i> |
| MIE | | | | | | | | |
| | Somalia | UNEP | AFB/PPRC.34/27/Add.1 | | | 150,000 | Approve | 150,000 |

| | | | | | | | | |
|--|------------------|-----------|-----------------------------|-------------------------|-------------------------|-------------------------|-----------------|-----------------------------------|
| Sub-total, USD | | | | - | - | 150,000 | | 150,000 |
| TOTAL (7+8+9) | | | | 5,000,000 | - | 5,150,000 | | 5,150,000 |
| <i>10. Innovation Small Grants</i> | <i>Countries</i> | <i>IE</i> | <i>PPRC Document number</i> | <i>NIE funding, USD</i> | <i>RIE funding, USD</i> | <i>MIE funding, USD</i> | <i>Decision</i> | <i>Funding set aside, USD</i> |
| NIE | | | | | | | | |
| | Senegal | CSE | AFB/PPRC.34/28 | 244,459 | | | Approve | 244,459 |
| Sub-total, USD | | | | 244,459 | - | - | | 244,459 |
| <i>11. AFCIA Grants</i> | <i>Countries</i> | <i>IE</i> | <i>PPRC Document number</i> | <i>NIE funding, USD</i> | <i>RIE funding, USD</i> | <i>MIE funding, USD</i> | <i>Decision</i> | <i>Funding set aside, USD</i> |
| MIE | | | | | | | | |
| | Global | UNEP | AFB/PPRC.34/29 | | | 2,707,222 | Approve | 2,707,222 |
| Sub-total, USD | | | | - | - | 2,707,222 | | 2,707,222 |
| GRAND TOTAL (1+2+3+4+5+6+7+8+9+10+11) | | | | 13,044,823 | 20,000,000 | 75,905,222 | | 36,038,045 |

Annex II

Active pipeline as of 11 October 2024

Table 1

Active pipeline of projects and programmes considered by the Board during the 18 months preceding 22 October 2024 but not yet approved by the Board.
(United States dollars)

| <i>Full proposals: Single Country</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
|---|---------------------|--------------------------------|--------------------------------------|
| NIE | | | |
| | Armenia | EPIU | 3,780,513 |
| | Honduras | CASM | 4,000,000 |
| | Panama | Fundacion Natura | 10,000,000 |
| | Rwanda | MOE, Rwanda | 10,622,560 |
| | Rwanda | MOE, Rwanda | 9,850,000 |
| RIE | | | |
| | Bangladesh | ICIMOD | 10,000,000 |
| MIE | | | |
| | Bosnia, Herzegovina | IFAD | 10,000,000 |
| | Philippines | UNIDO | 9,003,493 |
| | Uzbekistan | IFAD | 10,000,000 |
| | Yemen | UN-Habitat | 9,998,560 |
| | Zambia | IFAD | 10,000,000 |
| Sub-total, USD | | | 97,255,126 |
| <i>Concepts: Single Country</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| NIE | | | |
| | Indonesia | Kemitraan | 893,781 |
| | Indonesia | Kemitraan | 909,128 |
| | Zimbabwe | EMA | 9,050,000 |
| RIE | | | |
| | Algeria | ICIMOD | 10,000,000 |
| | Barbados | CCCC | 10,850,000 |
| | Papua New Guinea | SPREP | 3,459,267 |
| | St. Kitts and Nevis | CCCCC | 10,000,000 |
| MIE | | | |
| | Albania | IFAD | 10,000,000 |
| | Botswana | IFAD | 10,000,000 |
| | Comoros | IFAD | 10,000,000 |
| | Djibouti | IFAD | 9,997,436 |
| | Eswatini | IFAD | 10,000,000 |
| | Lebanon | IFAD | 4,300,000 |
| | Malawi | IFAD | 10,000,000 |
| | Mongolia | IFAD | 2,038,883 |
| Sub-total, USD | | | 111,498,495 |
| <i>Full proposal: Regional</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |

| | | | |
|--|---|--------------------------------|--------------------------------------|
| MIE | | | |
| | Azerbaijan, Iran | UN-Habitat | 14,000,000 |
| | Cameroon, Central African Republic, Chad, Niger, Nigeria | WMO | 11,000,000 |
| | Cuba, Panama | IFAD | 14,000,000 |
| Sub-total, USD | | | 39,000,000 |
| <i>Concepts: Regional</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| MIE | | | |
| | El Salvador, Guatemala, Honduras | UNEP | 14,000,000 |
| Sub-total, USD | | | 14,000,000 |
| <i>Pre-concepts: Regional</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| MIE | | | |
| | Botswana, Mozambique, South Africa, Zimbabwe | WFP | 12,665,000 |
| | Cambodia, Lao People's Democratic Republic, Thailand, Vietnam | WMO | 12,466,575 |
| | Costa Rica, Dominican Republic, Panama | IFAD | 14,000,000 |
| | Costa Rica, Panama | WMO | 13,932,655 |
| Sub-total, USD | | | 53,064,230 |
| <i>Enhanced Direct Access: Full proposals</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| NIE | | | |
| | Cote d'Ivoire | FIRCA | 4,950,000 |
| Sub-total, USD | | | 4,950,000 |
| <i>Enhanced Direct Access: Concepts</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| NIE | | | |
| | Bhutan | BTFEC | 5,000,000 |
| Sub-total, USD | | | 5,000,000 |
| <i>Large innovation Grants: Full proposals</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| NIE | | | |
| | Belize | PACT | 4,970,000 |
| Sub-total, USD | | | 4,970,000 |
| <i>Large innovation Grants: Single- country concepts</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |
| MIE | | | |
| | Togo | BOAD | 5,000,000 |
| | Uganda | MoWE | 5,000,000 |
| Sub-total, USD | | | 10,000,000 |
| <i>Innovation Small Grant</i> | <i>Countries</i> | <i>Implementing Entity</i> | <i>Financing Requested (USD)</i> |

| | | | |
|------------------------|---------|---------------------|--------------------|
| NIE | | | |
| | Armenia | EPIU | 220,700 |
| | Chile | AGCID | 250,000 |
| | Panama | Fundacion Natura | 249,995 |
| Sub-total, USD | | | 720,695 |
| GRAND TOTAL | | | 340,458,546 |

Annex III

Information on aggregated actual results of projects and programmes funded by the Adaptation Fund

I. Background and approach

1. This document is prepared in response to 3/CMP.18 paragraph 11 requesting “the Adaptation Fund Board to include in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighteenth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November 2023) information on aggregated actual results of projects and programmes funded by the Adaptation Fund, in particular across the Fund’s five core indicators, accompanied by qualitative analysis of successes, challenges and lessons learned”.

2. The information provided in this document is based on available data included in the project performance reports (PPR), final evaluations and other documents produced by the Fund, including the annual performance reports (APRs) and those published by the Adaptation Fund Technical Evaluation Reference Group (AF-TERG).

II. Information on aggregated actual results of projects and programmes funded by the Adaptation Fund

3. For the past fourteen years, the Fund has annually reported portfolio results through its Annual Performance Report (APR). The Board approved the latest APR for fiscal year 2024³ at its forty-third meeting. This report includes data on the expected results of the Fund’s portfolio, and since fiscal year 2020, it has also provided aggregate results from completed projects across the seven strategic outcomes⁴ in the Fund’s results framework. For outcome four, “Increased adaptive capacity within relevant development sector services and infrastructure assets,” and outcome six, “Diversified and strengthened livelihoods and sources of income for people in targeted areas,” aggregate values are not feasible due to the diverse nature of investments. Instead, the report presents actual results achieved for each completed project.

4. In response to 3/CMP.18 paragraph 11, the aggregated actual results for the five core indicators achieved from completed projects are presented. As of June 30, 2024, 42 projects had reached completion, totalling US\$259.8 million, for which actual results for four core indicators have been aggregated as presented in Table 1 below.

Table 1

Preliminary Aggregation of actual results for Fund Indicators

Impact 1: Reduction in vulnerability of communities and increased adaptive capacity of communities to respond to the impacts of climate change

| Preliminary Indicators | Initial Target | Additional Comments |
|-------------------------------|----------------|--|
| No. of Direct Beneficiaries | 4.0 million | Number of direct/indirect beneficiaries is a conservative estimate, as it is not consistently reported (i.e., some projects report as no. of households) |
| No. of Indirect Beneficiaries | 9.5 million | |
| No. of Early Warning Systems | 255 | Includes projects targeting several small-scale early warning systems (EWS) at |

³ https://www.adaptation-fund.org/wp-content/uploads/2024/09/AFB.EFC_34.8_Annual-Performance-Report-for-FY24.pdf.

⁴ <https://www.adaptation-fund.org/wp-content/uploads/2019/10/Adaptation-Fund-Strategic-Results-Framework-Amended-in-March-2019.pdf>.

Impact 1: Reduction in vulnerability of communities and increased adaptive capacity of communities to respond to the impacts of climate change

the local level as well as those targeting one large regional system

Impact 2: Strengthened policies that integrate climate resilience strategies into local and national plans

| Preliminary Indicators | Initial Target | Additional Comments |
|--|----------------|--|
| No. of policies introduced or adjusted to address climate change risks | 89 | Includes any policy whether at the local, regional or national level |

Impact 3: Increased ecosystem resilience in response to climate change induced stresses

| Preliminary Indicators | Initial Target | Additional Comments |
|--|----------------|---------------------|
| Hectares of natural habitats created, protected, or rehabilitated/restored | 1,558, 824 ha | |
| Meters of coastline protected | 24,757 m | |

5. Similar to information in previous APRs, the Fund has been unable to aggregate actual results for two core indicators:

- (a) Avoided income decrease/increased income and
- (b) Assets produced, developed, or strengthened.

6. This limitation arises because only a small number of projects align with these indicators, largely due to practical challenges such as limited baseline data and the need to account for exogenous factors when assessing the true impact of interventions. Additionally, aggregating "assets produced" has been challenging because project implementers use varying metrics on the ground. The secretariat recognizes these issues and is addressing them through ongoing revisions to the Fund's strategic results framework.

III. Qualitative analysis of successes, challenges and lessons learned

7. This section provides a qualitative analysis of results generated from the projects that have reached completion including successes, challenges and lessons learned. The qualitative analysis has been conducted on the following criteria based on available information from the project reports (completion summary, terminal evaluation and AF-TERG reports):

- (a) Successes - impact;
- (b) Successes - Results drivers (sustainability, relevance, effectiveness and efficiency);
- (c) Challenges and lessons learned in monitoring and evaluation; and
- (d) Potential for scaling up and replication.

A. Successes - impact and results drivers

1. Impact

8. In line with the Fund impact statement, thus, to increase communities' adaptive capacity and ecosystem resilience in response to climate change impacts, the 42 completed projects demonstrated success in showcasing preliminary evidence of environmental, economic, social, and policy development impacts. This evidence is gathered through project

mid-term evaluation reports, terminal elevation reports, and annual project performance reports.

9. The completed projects have enhanced ecosystem resilience and improved natural resource management. Collectively, they led to the maintenance and restoration of over 1.5 million hectares of natural habitats and thousands of meters of coastline, fortifying communities against climate-induced stress.

Text box 1: The project "Community Adaptation for Forest-Food Based Management" in Indonesia led to the establishment of early warning systems and climate-smart applications. These innovations provide essential real-time climate data, supporting communities to safeguard their natural ecosystems and prepare for climate-related hazards.

10. Economically, the completed projects have enhanced the diversification and strengthening of livelihoods, particularly for vulnerable populations, by integrating sustainable practices into agriculture and other vital sectors.

11. From a social perspective, these 42 projects enhanced community-level capacity-building, helping communities develop resilience to climate change. For instance, Mali's "Programme Support for Climate Change Adaptation" empowered local stakeholders with knowledge in agroforestry and sustainable practices. This initiative trained government and civil society members and equipped over 23,000 farmers (primarily women) with skills for income-generating activities like market gardening and livestock rearing. By focusing on local awareness and skill-building, these projects ensure community ownership and a sustainable impact on climate adaptation, strengthening social systems and building resilience in high-risk areas.

12. In terms of policy development and integration, the completed projects have made strides in promoting the development of climate-related policies and regulations at national and local levels. For instance, the "Adaptation to Coastal Erosion" project in Senegal led to the revision of coastal management regulations and the alignment of national policy with resilience objectives. Overall, the projects have catalyzed the creation or adjustment of 55 strategies and 92 policies, embedding climate adaptation into development plans and regulatory frameworks. This policy impact promotes long-term adaptation by formalizing resilience measures, encouraging governments to proactively address climate vulnerabilities, and supporting sustainable development paths aligned with national and international climate goals.

Text box 2: Cambodia's rural resilience project introduced diversified home gardens that increased food security and supported forest conservation. Similarly, Egypt's "Building Resilient Food Security Systems" project enhanced agricultural productivity and water management through infrastructure enhancements and community-led water user associations. These interventions bolstered local economies by creating job opportunities, stabilizing food production, and fostering resource-sharing practices.

13. Although less significant than the above dimensions but nonetheless critical, the AF-funded projects and programmes contributed to change in food diets towards healthier nutrition patterns, adoption of climate resilient technologies and behavior changes.

2. Results drivers (sustainability, relevance, effectiveness and efficiency)

14. Overall, key areas of sustainability (i.e., economic, social, environmental, institutional and financial) of the projects and programmes funded by the Fund are satisfactory. As reported through the 2024 APR, 93 percent of the PPRs received and cleared by the secretariat since the inception of the Fund have been rated as satisfactory⁵ by implementing entities. This means that implementing entities consider that the projects completed and those still under implementation have had decent execution rates, achievable/achieved targets and outcomes, and do not face any major implementation risk.

15. The below paragraphs present the key drivers of results from AF projects triangulated from the secretariat's portfolio monitoring missions, PPR reviews, terminal evaluations, project completion summary reports, and the Second Synthesis of Adaptation Fund Final Evaluations report presented by the AF-TERG to the forty-third meeting of the Board.

⁵ Either highly satisfactory, satisfactory, or marginally satisfactory.

16. Firstly, well-structured AF projects that link activities directly to environmental goals, such as forest conservation, ensure that each intervention that supports these objectives is more likely to be successful. For example, matching tree planting efforts with local soil and climatic conditions enhances the success and longevity of these projects.

17. Secondly, knowledge of the local ecosystem, political landscape, and community needs facilitates the successful design and implementation of fit-for-purpose projects and programs. By tailoring projects to the unique environmental and socio-political context, adaptation efforts are more likely to meet stakeholders' and partners' specific needs and capacities, leading to more effective outcomes.

18. Thirdly, sustainability hinges on addressing the roles and needs of diverse groups, including women, youth, marginalized, and indigenous communities. AF projects incorporate these perspectives from the design stage through implementation. A lack of focus on inclusion limits a project's capacity to enhance the adaptive resilience of all community members.

19. Fourthly, partnerships with capable local partners, relevant institutions, and communities impact the implementation and outcome of AF projects and programmes. In communities where there is local solid buy-in and participation, projects operate more efficiently, have an amplified impact and can be sustainable.

20. Lastly, effective monitoring and evaluation systems enable continuous learning, reporting, and adaptive management.

3. Challenges and lessons learned

21. The challenges and lessons learned in implementing Adaptation Fund projects, particularly from the completed projects, reveal several areas for improvement, particularly from a monitoring and evaluation (M&E) perspective. Insights from terminal evaluations of completed projects underscore project design, operational, and contextual challenges, as detailed below:

22. Project design: projects with somewhat flawed design, such as overly ambitious geographic scope and targets, face multiple challenges, including difficulties in implementing regular monitoring, high-cost overruns, etc. Others may have also been designed without a rigorous theory of change, which challenges a proper alignment of expected outcomes with project outputs and activities. Some of the projects did not include a thorough needs analysis, and/or capacity gap analysis. This shortfall frequently stemmed from a limited understanding of the local context, whether ecological, environmental, or community based. Such challenges underscore the need for more rigorous initial assessments to tailor projects effectively to local conditions.

23. Operational and logistical constraints: the implementation of the completed project, including ongoing ones, experienced operational issues, including high turnover of implementing and/or executing entity staff, which disrupted project continuity, and prolonged procurement processes that slowed activities. Furthermore, delays in fund disbursement from the implementing entities (IEs), which are often due to country-level financial management systems, impact project implementation.

24. Capacity: some implementing entities (especially national entities) and executing entities continue to face capacity constraints, characterized by insufficient skilled personnel leading to poor reporting. The AF continues to offer national implementing entities the needed support to close this capacity cap, including supporting improving annual project performance reporting to the secretariat.

25. Weak monitoring and evaluation frameworks: some projects suffered from underdeveloped monitoring and evaluation systems that limited their ability to assess progress, learn from outcomes, and adapt operations accordingly. Factors contributing to this include, poor M&E design, lack of mechanisms to measure progress, delays in institutionalizing M&E practices, and inadequate resources allocated to M&E functions. The new AF evaluation policy now allows for budgeting for monitoring and evaluation, which should help addressing this challenge.

26. Political instability, natural disasters and security issues: in politically unstable contexts, project timelines are often disrupted and budgets strained, necessitating requests for changes to be raised for approval. These factors present an external risk that impacts project sustainability, reinforcing the importance of flexibility in project planning to adapt to changing circumstances.

4. Potential for scaling up and replication

27. Although scalability is not a mandatory criterion for Adaptation Fund projects, it is recommended for consideration in project proposals. According to the AF-TERG Thematic Evaluation of Scalability Concepts and Practice at the Adaptation Fund, presented at the Adaptation Fund Board’s forty-third meeting, 29% of the 21 sampled projects specified pathways for scaling, with most utilizing external financing, such as the GCF’s Project Preparation Facility. Several Adaptation Fund projects have been scaled up by the Fund itself or other institutions, though the exact total varies due to different methodologies used in accounting (either scaling full projects or component of the project).

28. Key factors influencing scalability include a robust proof of concept, financial and operational sustainability, local demand and engagement, applicability across contexts, government support, established governance networks, and the readiness of implementing entities to offer relevant support. Challenges like limited funding, insufficient local involvement, weak institutional backing, information gaps, and project complexity can pose barriers.

29. The GCF is currently developing a comprehensive operational manual for scaling up projects. This manual will offer enhanced clarity on how the GCF can support scaling AF projects that have demonstrated effectiveness and potential for expansion. The table below provides a sample of ten projects successfully scaled across various sectors, such as climate-resilient water management and multi-hazard early warning systems (EWSs).

Table 2
Adaptation Fund projects that have been scaled up by other funds (non-comprehensive)⁶

| <i>N°</i> | <i>Project title</i> | <i>Status</i> | <i>AF Grant amount US\$</i> | <i>Implementing Entity</i> | <i>Country</i> | <i>Funding source for scaling</i> |
|-----------|---|----------------------|-----------------------------|--|----------------|-----------------------------------|
| 1 | Adaptation Fund-UNDP Innovation Small Grant Aggregator Platform (ISGAP) | Under Implementation | 5.0 | UN Development Programme | Regional | European Union |
| 2 | Climate Smart Integrated Rural Development Project | Under Implementation | 10.0 | Ministry of Finance and Economic Cooperation, Ethiopia | Ethiopia | Italian Development Cooperation |
| 3 | Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for | Under Implementation | 0.7 | National Bank for Agriculture and Rural Development | India | GCF |

⁶ <https://www.adaptation-fund.org/document/scaling-up-adaptation-finance-experiences-and-lessons-learned-from-the-adaptation-fund-portfolio-of-projects-and-programmes/>.

| <i>N°</i> | <i>Project title</i> | <i>Status</i> | <i>AF Grant amount US\$</i> | <i>Implementing Entity</i> | <i>Country</i> | <i>Funding source for scaling</i> |
|-----------------------|--|---------------------------|-----------------------------|---------------------------------|----------------|-----------------------------------|
| Sea Level Rise | | | | | | |
| 4 | Reducing Risk and Vulnerability to Climate Change in the Region of La Depression Momposina in Colombia | Project Completed in 2020 | 8.5 | UN Development Programme | Colombia | GCF |
| 6 | Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia | Project Completed in 2017 | 5.3 | UN Development Programme | Georgia | GCF |
| 7 | Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo ADh. Mahibadhoo and GDh. Gadhdhoo Island | Project Completed in 2015 | 9.0 | UN Development Programme | Maldives | GCF |
| 8 | Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan | Project Completed in 2015 | 3.9 | UN Development Programme | Pakistan | GCF |
| 9 | Adaptation to Coastal Erosion in Vulnerable Areas | Project Completed in 2014 | 8.6 | Centre de Suiwi Ecologique | Senegal | GCF |
| 10 | Reducing Vulnerability to Climate Change in Northwest Rwanda through Community | Project Completed in 2019 | 10.0 | Ministry of Environment, Rwanda | Rwanda | GCF |

| <i>N°</i> | <i>Project title</i> | <i>Status</i> | <i>AF Grant amount US\$</i> | <i>Implementing Entity</i> | <i>Country</i> | <i>Funding source for scaling</i> |
|-----------|----------------------|---------------|---|--------------------------------|----------------|---------------------------------------|
| | Based Adaptation | | | | | |