Third meeting of the interim Adaptation Benefits Mechanism Executive Committee

The meeting took place in two parts and was held remotely.
Part I took place on 6 May 2020 from 14:00-16:00 GMT
Part II took place on 20 May 2020 from 14:00-18:00 GMT
Both parts are reported separately in this document

Report of Part I

Attendance

Ms. Fatima Zahra TAIBI (Co-Chair)
Mr. Luc GNACADJA (Co-Chair)
Ms. Evelyne BATAMULIZA
Mr. Daouda Ben Oumar NDIAYE
Mr. Axel MICHAELOWA
Mr. Assefa Tofu CHOFORE
Ms. Doreen MNYULWA
Ms. Louise Helen BROWN

I. Opening of the meeting.

1. The third meeting of the interim Adaptation Benefits Mechanism Executive Committee (ABM EC) was conducted remotely. The ABM EC Co-Chairs, Ms. Fatima Zahra Taibi and Mr. Luc Gnacadja, opened and presided the meeting. The meeting opened at 14:00 GMT.

2. The ABM EC adopted the agenda, as contained in document ABM EC/2020/3/2. The Co-Chairs noted that the time may not allow considering all documents during this meeting and some documents will be postponed for the next meeting.

3. The ABM EC agreed to follow the order of the agenda items and continue its considerations on the remaining items at a later moment, as needed.

II. Review of the progress on the ABM EC’s work plan for 2020.

4. On invitation of the co-chair, the EC members assigned to lead on various deliverables provided an update on the progress of their assigned tasks. The
following internal work documents were drafted and circulated in advance of the meeting:

- ABM EC/2020/3/3 – Draft Code of Conduct for the ABM EC;
- ABM EC/2020/3/4 – Draft Terms of Reference for the ABM EC;
- ABM EC/2020/3/Int.doc.1 – ABM Pilot Phase Resource Mobilisation strategy 2020-2023 and annex;
- ABM EC/2020/3/6 - draft Procedure for the Approval of an ABM methodology;
- ABM EC/2020/3/7 - draft Guidelines on ABM methodologies;
- ABM EC/2020/3/Int.doc.2 - draft Literature Study on Adaptation Metrics;
- ABM EC/2020/3/Int.doc.3 - draft ABM EC Secretariat Budget for the ABM Pilot Phase 2020-2023;
- ABM EC/2020/3/Int.doc.4 - draft Adaptation Benefits Mechanism Strategic Plan.

5. The ABM EC took note of the progress reports of leads of work teams on prioritized activities in the annual work plan for the first and second quarter of 2020 and discussed priorities for deliverables in the second quarter of 2020. The Co-Chairs commended the ABM EC for the excellent progress made so far and praised the dedication of ABM EC members.

6. The ABM EC agreed on an updated allocation of tasks and deadlines for until the end of June 2020, as contained in the internal work document ABM EC/2020/3/Int.doc.6.

III. Discussion on documents for the meeting:

7. The ABM EC deliberated in detail on the documents under agenda sub-items (a) and (b), and took note of the documents under sub-items (c), (d) and (e).

(a) draft Code of Conduct for the ABM EC;

8. The ABM EC considered and discussed the draft Code of Conduct for the ABM EC, as contained in document ABM EC/20202/3/3, and provided comments.

9. The ABM EC noted the importance of arranging the issue of conflict of interest with utmost caution to safeguard the integrity of the work of the ABM EC. The ABM EC also noted the need for flexibility to update the document, based on experiences.

10. The ABM EC decided that the Code of Conduct should apply to the ABM EC and its support structure.
11. The ABM EC decided to continue its considerations of the Code of Conducts at its next meeting with the view to finalizing and adopting the document.

(b) draft Terms of Reference for the ABM EC.

12. The ABM EC considered and discussed the draft Terms of Reference for the ABM EC, as contained in document ABM EC/20202/3/4, and agreed on the text.

13. The ABM EC decided to standardize the background paragraph on the purpose of ABM after discussing the ABM Pilot Phase Strategic Plan in all documents where such a paragraph is needed, before adopting them, and consider whether any new information will have to be added based on the discussions of the draft ABM Pilot Phase Strategic Plan and draft ABM Resource Mobilization Strategy.

14. The ABM EC decided to consider the Terms of Reference for the ABM EC at its next meeting with the view to adopting the document.

VII. Date and place for the next meeting

15. The ABM EC noted that it needs more time to consider all documents on the agenda and decided to extend its third meeting with another session. The ABM EC decided to hold Part II of its 3rd meeting remotely on 20 May 2020, from 14:00-17:00 GMT.

VIII. Any other business and closure of the meeting.

16. The ABM EC decided to prioritize for Part II of its third meeting the consideration of the following documents: draft ABM Pilot Phase Strategic Plan, draft ABM Resource Mobilization Strategy and draft Guidelines on ABM Methodologies, as contained in documents ABM EC/2020/3/Int.doc.4, ABM EC/2020/3/Int.doc.5 and ABM EC 2020/3/7, respectively. If time allows, the ABM EC would consider the Terms of Reference of the ABM Secretariat, as contained in document ABM EC/2020/3/5.

17. The ABM EC Co-Chairs requested:
   (i) leads of the teams who have drafted the documents, as referred to in paragraph 17 above, to send any strategic questions or issues in these documents before the meeting to facilitate the discussion during the meeting;
   (ii) all comments on the documents to be submitted by 14 May 2020;
   (iii) the secretariat to compile the comments on the documents and share them with the EC in advance of Part II of the third meeting of the ABM EC.

18. The ABM Co-Chairs closed Part I of its third meeting at 17:30 GMT.
Report of Part II

Attendance

Mr. Luc GNACADJA (Co-Chair)
Ms. Evelyne BATAMULIZA
Mr. Daouda Ben Oumar NDIAYE
Mr. Axel MICHAELOWA
Mr. Assefa Tofu CHOFORE
Ms. Doreen MNYULWA
Ms. Louise Helen BROWN

IX. Opening of the meeting.

19. Part II of the third meeting of the interim Adaptation Benefits Mechanism Executive Committee (ABM EC) was conducted remotely. The ABM EC Co-Chair, Mr. Luc Gnacadja, opened and presided the meeting. The meeting opened at 14:00 GMT.

20. The ABM EC adopted the amended revised agenda, as contained in document ABM EC/2020/3/2.rev.rev. The main change was forwarding the following documents to the next meeting, taking into account time limitations: draft Procedure for the Approval of a new ABM methodology; draft Literature Study on Adaptation Metrics; draft analysis of the ABM pipeline; draft ABM EC Secretariat Budget for the ABM Pilot Phase 2020-2023.

21. The Co-Chair noted that the focus of this meeting will be discussing the prioritized agenda items II. (a), (b) and (c).

X. Discussion on documents for the meeting:

22. The ABM EC engaged in strategic discussions on the documents under sub-items (a), (b) and (c) and took note of the three draft documents shared by ABM EC members in accordance with the tasks allocation and deadlines in the annual work plan concerning definitions, ABM guiding principles and a Theory of Change for the ABM Pilot Phase.

   (a) draft ABM Pilot Phase Strategic Plan;

23. The ABM EC discussed strategic issues regarding the draft ABM Pilot Phase Strategic Plan 2020-2023, as contained in the internal document ABM EC/2020/3/Int.doc.4, including matters related to vision, mission, purpose and targets for the ABM Pilot Phase, as well as the role of the ABM EC, the ABM
secretariat and different stakeholders, such as governments and impact investors.

24. The ABM EC agreed that the document is the draft strategy for the ABM Pilot Phase and not only for the ABM EC. ABM EC members agreed on the wording for the vision and mission proposed in the draft document.

25. The ABM EC discussed its role vis-à-vis the role of the African Development Bank (AfDB) and the ABM EC secretariat in relation to the implementation of the ABM Pilot Phase Strategic Plan. It was noted that the role of the ABM EC is spelled out in detail in the TORs of the ABM EC. It was agreed that the ABM Pilot Phase Strategic Plan would include a section on the role of the ABM EC in accordance with its Terms of Reference.

24. The ABM EC noted that a number of its planned activities will need finance and agreed that the ABM secretariat is ultimately responsible for resource mobilization. The ABM EC also agreed that it will advise the African Development Bank in its capacity of the host of the ABM EC and ABM EC secretariat, through the ABM secretariat, on funding options and may play a role in raising awareness and promoting the ABM upon request, as needed.

25. The ABM EC discussed what would be appropriate to set as strategic aspirational targets for the ABM pilot phase and agreed that the targets should be ambitious yet realistic, both qualitative and quantitative. Some ABM EC members argued for a relatively low resource mobilization target of US$ 25 million or less, as the focus of the ABM pilot phase is to demonstrate that the mechanism works, not to achieve scale. Others argued that a low target would imply a lack of ambition and proposed that a resource mobilization target of US$ 100 million would be more consistent with the ambition of the ABM pilot phase and the capacity of the African Development Bank. The ABM EC agreed that a successful resource mobilization effort could be measured either through an absolute funding amount achieved or a number of projects approved and settled on a target of either US$ 50 million or 25 projects.

26. The ABM EC agreed to prepare a communication strategy on the ABM Pilot Phase and include this activity in its work plan, as contained in document ABM EC/2019/1/4.

27. The ABM EC discussed the issue of ensuring alignment of ABM projects with national and local priorities. It was noted that all ABM demonstration projects should be aligned with Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). Concerns were raised that long and complex procedures may impede the approval and implementation of projects. Furthermore, it was noted that it will be important to engage local governments, in addition to national governments who will need to report on results. The ABM EC agreed that during the ABM Pilot Phase, various options will be explored in consultation with the host countries and relevant stakeholders.
28. The ABM EC discussed the nature of the mechanism to be piloted. It was noted that the ABM could include not only projects and programmes, but also longer term approaches that could engage the private sector in delivering sustained resilience outcomes over the long term. It was also noted that the ABM should be designed to be responsive not only to local community needs, but also to resilience of ecosystems, as appropriate. The ABM EC agreed that the ABM demonstration activities should not be limited to a specific funding structure, but should have the flexibility to be funded through a variety of approaches.

29. The ABM EC agreed to revise the document by the end of July in line with the strategic decisions. It was further decided to consolidate the revised draft ABM Pilot Phase Strategic Plan 2020-2023 with the draft ABM guiding principles, Theory of Change for the ABM Pilot Phase and the definitions, whereas the latter will be included in an annex and be revised, as needed. The ABM EC also decided to include a draft ABM activity cycle in the main document. It was further agreed that the section on engaging the private sector in the ABM would be moved from the ABM pilot phase resource mobilization strategy into the ABM pilot phase strategic plan.

30. The ABM Co-Chair requested the relevant work teams to collaborate on merging the documents with the view to submitting the revised version of the ABM Pilot Phase Strategic Plan to the ABM EC by the end July for consideration at a future meeting.

(b) draft ABM Pilot Phase Resource Mobilization Strategy 2020-2023;

31. The ABM EC discussed strategic issues regarding the draft ABM Pilot Phase Resource Mobilization Strategy, as contained in the internal document ABM EC/2020/3/Int.doc.1, including matters related to purpose of the Resource Mobilization Strategy, the role of the ABM EC and the advantages and disadvantages of various funding options for the ABM Pilot Phase.

32. The ABM EC acknowledged that the senior management of the African Development Bank is ultimately responsible for decision-making on resource mobilization for the ABM Pilot Phase. The ABM EC agreed that its role for resource mobilization is to advise the African Development Bank, through the ABM Secretariat, among others, on approaches, targets and options with pros and cons for mechanisms for the implementation of the ABM Pilot Phase, and to provide ad hoc support for specific activities, as needed.

33. The ABM Secretariat clarified that so far, the ABM has received some support from the Climate Investment Funds and project-related funding from the Africa Climate Change Fund. The ABM secretariat is exploring various sources of funding to secure the continuation of the work of the ABM EC and the implementation of demonstration projects. Some funding proposals that are expected to deliver project-related funding also for the associated work of the ABM EC are under way. However, a more structural source of funding remains needed. Some ABM EC members raised concerns with a mechanism administrated by a third party, as it may imply that the ABM is linked to a
specific process or sector, and suggested that this option may be considered less desirable. It was noted that the option of a financial intermediary fund at another Multilateral Development Bank may not be feasible for a pilot phase. Several ABM EC members suggested that the option of structuring the entire ABM pilot phase as a project proposal for the GCF may be the most feasible option. While acknowledging that establishment of any funding mechanism is time-intensive, the ABM Secretariat noted that it has initiated discussions internally for the establishment of a new African Adaptation Benefits Fund (AABF) to receive resources dedicated specifically to the ABM. The AABF could also finance the work of the ABM EC.

34. The ABM EC recommended that while none of the options discussed are ideal, the two options that may have most potential for securing the future of the ABM are the AABF and the ABM Pilot Phase as a Green Climate Fund project.

35. The ABM EC Co-Chair requested the work team to submit a revised version of the ABM EC Resource Mobilization Strategy by the end of July with the view to considering it at a future meeting.

(c) draft Guidelines on ABM Methodologies;

36. The ABM EC discussed strategic issues regarding the draft Guidelines on ABM Methodologies, as contained in the internal document ABM EC/2020/3/7, including matters related to templates, definitions, level of detail in the guidelines and safeguarding the integrity of the ABM.

37. The ABM EC agreed that the guidelines should not be too detailed and prescriptive at this early stage to avoid limiting the creativity of project developers. They must be simple and clear, but leave enough flexibility.

38. The ABM EC agreed that providing a simple template and requesting project information would be useful, but care should be taken not to overload the methodology guidelines and confuse it with matters related to project assessment.

39. The ABM EC agreed to welcome the submission of sample project-based methodologies to encourage learning by doing as soon as possible. These first methodologies will pass through the approval process as regular methodologies and will serve to refine the guidelines and the approval process.

40. The ABM EC agreed to continue its consideration on the basis of a revised version of the Guidelines on ABM methodologies via on-line means with the view to adopting the document and taking a decision on the way forward.

41. The ABM EC Co-Chair requested the lead of the respective work team to revise document ABM EC/2020/3/7 and share it with the ABM EC by Friday, 29 May 2020.
XI. Date and place for the next meeting.

42. The ABM EC Co-Chair requested the ABM secretariat to facilitate on-line consultations on the date for the next meeting in June 2020, which will be held remotely.

XII. Any other business and closure of the meeting.

43. The Co-Chair thanked the ABM EC for the very constructive and productive session and closed the third meeting of the ABM EC at 17:40 GMT.