

ADAPTATION FUND TRUST FUND
GUIDELINES FOR ACCEPTING UNSOLICITED DONATIONS
Prepared by the World Bank as Trustee for the Adaptation Fund

I. Background:

In accordance with Paragraph 17 (Administration of the Trust Fund) of the Terms and Conditions of Services to be provided by the International Bank for Reconstruction and Development as Trustee for the Adaptation Fund:

“If requested by the Adaptation Fund Board, the Trustee may accept, on terms mutually agreed between the Trustee and the Adaptation Fund Board, contributions from donors to support the operations of the Adaptation Fund.”

The Trustee recommends that, in the interest of cost-effectiveness, and ensuring that contributions serve the interests of the Adaptation Fund, the Adaptation Fund Board adopt guidelines with respect to the acceptance of any additional contributions.

II. Objective:

The key objectives of these guidelines are to:

1. provide guidance to parties interested in donating funds to the Adaptation Fund Trust Fund;
2. minimize the transaction costs associated with accepting resources in addition to the proceeds from CER monetization; and
3. ensure that donations are accepted only from appropriate donors to prevent reputational or other damage to the Adaptation Fund, its Board, Secretariat and Trustee.

III. Guidelines:

These guidelines will apply to all donations to the Adaptation Fund Trust Fund that are in addition to the proceeds from CER monetization.

A. Eligible Donors:

Donations from the following categories of donors will be considered:

- Sovereign governments
 - including sub-national government entities
- Non-sovereign (non-government) entities
 - including foundations, non-governmental organizations, private corporations and individuals

B. Types of Donations:

- Donations are limited to donations in cash in freely convertible currencies
- Donations may be structured as one-off donations or multi-year donations

C. Screening of Non-government entities:

Due diligence will be undertaken at the discretion of the Trustee on a case by case basis. The main purpose of the due diligence process will be to protect the Adaptation Fund against reputational risk by ensuring that the activities of the donor or its affiliates will not result in any actual or perceived harm to the Adaptation Fund, its Board, Secretariat, or Trustee. At the discretion of the Trustee, the Trustee can carry out the due diligence process directly or coordinate such process through due diligence specialized firms that carry out background checks.

The cost of such due diligence exercises will be added to the Trustee budget and billed to the AF Trust Fund on a full cost recovery basis.

In undertaking the due diligence process, the Trustee will apply criteria used by public international organizations such as UNICEF. The Trustee will consult with the Adaptation Fund Board prior to rejecting any donation as a result of issues identified during the due diligence process.

D. Trustee Process for accepting donations from Non-Sovereign Donors

- Donor proposes contribution in writing to the Board
- Board informs Secretariat and Trustee
- Trustee undertakes screening process
- If the screening process is undertaken successfully, and upon following its internal procedures, the Trustee will sign a donation agreement with the Donor
- Donor will send the contribution by wire transfer to the AF Trust Fund according to the terms of the donation agreement

A. Trustee Process for Sovereign Donors¹

- Donor proposes contribution in writing to the Board
- Board informs Secretariat and Trustee
- The Trustee will follow its internal procedures and enter into a donation agreement with the Donor

B. Donation Agreement

Except in the case of small donations from individuals, the Trustee will enter into a donation agreement with every donor. The donation agreement will follow a pre-agreed template that will contain among others, the following provisions:

¹ For certain sovereign governments that are not Bank members, the Trustee may be required to seek approval of its senior management prior to accepting the donation.

- Donations will be unconditional and will not be earmarked to any specific region, sector or project.
- Respecting the unique governance structure of the Adaptation Fund, the donation agreement will not establish membership or governance rights in the Adaptation Fund for the benefit of the Donor.
- Donors will be provided with those reports and information on use of resources that are within the public domain.
- Donors will agree that no preferential access to the Adaptation Fund Board, information or Adaptation Fund procurement opportunities will be received as a result of the donation.
- Donors may use the Adaptation Fund logo or name on terms to be approved by the Adaptation Fund Board.
- Donors will require the prior approval of the Secretariat to press briefings and other materials on the donation issued by the donor.
- Donation agreements will follow the Trustee policies and procedures.
- The donation agreement may be terminated at any time and any uncommitted funds returned to the donor should the reputation of the donor at any time risk damaging that of the Adaptation Fund, its Board, Secretariat or Trustee.

C. Donations from Individuals

Donations from individuals may be received directly into a bank account of the Trustee or a third party consolidator chosen by and through an agreement with the Trustee.