



## ADAPTATION FUND

AFB/B.23/2/Rev.1  
7 March 2014

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Adaptation Fund Board  
Twenty-third meeting  
Bonn, Germany, 20-21 March 2014

### ANNOTATED PROVISIONAL AGENDA

#### 1. Opening of the meeting

The meeting will be opened by the outgoing Chair of the Adaptation Fund Board, Mr. Hans Olav Ibrekk (Norway, Western European and Other States).

#### 2. Transition of the Chair and the Vice-Chair

Document: none.

Background: The Board at its twenty-second meeting decided to appoint Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries), as Chair and during the intersessional period it appointed Ms. Laura Dzelzyte (Lithuania, Eastern European Group) as Vice-Chair, for the period of office starting at the twenty-third meeting.

Action expected: The outgoing Chair will hand over the Board Chairmanship to the incoming Chair.

#### 3. Organizational matters

##### a) *Adoption of the agenda*

Documents: AFB/B.23/1, Provisional agenda and AFB/B.23/2, Annotated provisional agenda.

Action expected: The Board will be invited to adopt the agenda of the meeting and to raise any other matters it may wish to discuss, to be included on the agenda under item 15.

##### b) *Organization of work*

Background: The Chair will propose to the Board the organization of work, in accordance with the Provisional timetable attached to document AFB/B.23/2.

Action expected: The Board will be invited to approve the organization of work as proposed by the Chair.

**4. Report on activities of the outgoing Chair**

Document: None.

Background: The outgoing Chair of the Board, Mr. Hans Olav Ibrenk, will report on the activities carried out during the intersessional period.

Action expected: The Board will be invited to take note of the oral report.

**5. Report on activities of the secretariat**

Document: AFB/B.23/3 Report on the activities of the secretariat.

Background: The Manager of the secretariat will present the report contained in the above mentioned document.

Action expected: The Board will be invited to take note of the report.

**6. Report of the Accreditation Panel**

Document: AFB/B.23/4 Report of the Accreditation Panel.

Background: The Chair of the Accreditation Panel, Ms. Angela Churie-Kallhauge (Sweden, Western European and Other States), will present the Panel's report to the Board. The report contains recommendations on the accreditation of implementing entities and other issues related to the accreditation process.

Action expected: The Board will be invited to consider and adopt the recommendations of the Panel.

**7. Report of the fourteenth meeting of the Project and Programme Review Committee (PPRC)**

Document: the PPRC will issue its report after its fourteenth meeting, which will take place on 18-19 March 2014.

Background: The Chair of the PPRC, Mr. Ezzat Lewis Hannalla Agaiby (Egypt, African States), will present the PPRC report to the Board. The report contains recommendations on:

- a) Issues identified during project/programme review;
- b) Project/programme pipeline;
- c) Project/programme proposals;

- d) Options for intersessional review and approval of project/programme proposals;
- e) Analysis of possible effects on administrative costs of the use of multiple Executing Entities and implementing partners for the implementation of local adaptation actions.

Action expected: The Board will be invited to consider and adopt the recommendations of the PPRC.

**8. Report of the fourteenth meeting of the Ethics and Finance Committee (EFC)**

Document: the EFC will issue its report after its fourteenth meeting, which will take place on 18-19 March 2014

Background: The Chair of the EFC, Ms. Su-Lin Garbett-Shiels (United Kingdom, Western European and Other States), will present the EFC report to the Board. The report contains recommendations on the following issues considered by the EFC:

- a) Options for the accreditation of small entities;
- b) Portfolio monitoring: report of the missions to Honduras and Nicaragua;
- c) Options for an evaluation of the Fund;
- d) Core indicator methodologies;
- e) Complaint handling mechanism;
- f) Implementation of the code of conduct;
- g) Financial issues.

Action expected: The Board will be invited to consider and adopt the recommendations of the EFC.

**9. Issues remaining from the twenty-second meeting:**

- a) *Strategic discussion on objectives and further steps of the Fund. Report of the fundraising task force*

Document: none.

Background: The Board at its nineteenth meeting decided to establish a task-force of Board members that worked in conjunction with the secretariat on outreach, strategy, and other efforts to achieve the interim US\$ 100 million

fundraising target by the end of 2013, including some specific actions detailed in Decision B.19/29. The task force Coordinator, Mr. Zaheer Fakir (South Africa, African States) will report on the activities undertaken by the task force during the intersessional period; in particular, on the outcome of fundraising efforts following COP 19.

Action expected: The Board will be invited to consider the report of the task force, including options for moving forward on this matter.

*b) Implementation of the readiness programme*

Document: AFB/B.23/5, *Options for a programme to support readiness for direct access to climate finance for national and regional implementing entities*

Background: The Board at its twenty-first meeting considered the need for a variety of capacity enhancement measures for NIEs and RIEs, and decided to request the secretariat to prepare a document containing options for such a programme for the twenty-second meeting. Subsequently, the secretariat prepared document AFB/B.22/6 which outlined the possible elements and options for a phased Programme to Support Readiness for Direct Access to Climate Finance for National and Regional Implementing Entities and presented a framework and budget for a first phase of the programme. Following a discussion of the document, the Board decided to: (a) Approve Phase I of the Readiness Programme as detailed in document AFB/B.22/6, on the basis that it would follow performance-based funding principles; (b) Take note of the options provided by the secretariat on a programme to support readiness for direct access to climate finance for national and regional implementing entities; (c) Request the secretariat to submit to the Board intersessionally between the twenty-second and twenty-third meetings, execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities, with a view to start implementing the programme before the twenty-third Board meeting; and (d) Approve an increase in the Administrative Budget of the Board, secretariat and trustee for FY2014 of US\$ 467,000 for the programme described in AFB/B.22/6, and authorize the trustee to transfer such an amount to the secretariat and request the trustee to set aside the balance amount of US\$ 503,000 from the Adaptation Fund Trust Fund resources for subsequent commitment and transfer at the instruction of the Board (Decision B.22/24). As requested by the Board under paragraph (c) of the decision above, document AFB/B.23/5 outlines the execution arrangements, criteria and eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities under the approved programme.

Action expected: the Board will be invited to consider for approval the proposal contained in document AFB/B.23/6 presented by the secretariat.

**10. Issues arising from the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its ninth session**

Document: Decisions 1/CMP.9, Report of the Adaptation Fund Board and 2/CMP.9, Second review of the Adaptation Fund.

Background; The Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its ninth session (CMP.9) approved the two decisions mentioned above, including the following actions relevant to the Board:

Decision 1/CMP.9, Report of the Adaptation Fund Board

- *Invites* the Adaptation Fund Board to provide, in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014), its views on the matters included in the terms of reference for the second review of the Adaptation Fund annexed to decision 2/CMP.9, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fortieth session (June 2014);
- *Requests* the Adaptation Fund Board to consider the arrangements for the monetization of the 2 per cent share of proceeds referred to in paragraph 8 above, including the appropriate entity or entities to monetize the share of proceeds, and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its tenth session;
- *Also requests* the Adaptation Fund Board to develop and approve the legal arrangements with the trustee regarding the services for the 2 per cent share of proceeds referred to in paragraph 8 above for approval by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

Decision 2/CMP.9, Second review of the Adaptation Fund

- *Requests* the Adaptation Fund Board to make available in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014) information on the financial status of the Adaptation Fund, with a view to finalizing the second review of the Adaptation Fund at the same session.

Action expected: The Board will be invited to consider these decisions, including any inputs to provide to the second review of the Fund.

**11. Communications and outreach**

Document: AFB/B.23/3, Report on the activities of the secretariat.

Background: The secretariat will report on its efforts related to the improvement of the Adaptation Fund website, dissemination of information through social

media, and events organized. As part of the communications strategy currently being implemented by the Board, a messaging and media coaching session for Board members and civil society organizations (CSOs) will be held on 19 March 2014, back to back with the CSO dialogue.

Action expected: The Board will be invited to take note of the report and make any decisions as appropriate.

## 12. Financial issues:

### a) *Financial status of the Trust Fund and CER monetization*

Documents: AFB/EFC.14/7, Adaptation Fund Trust Fund: financial report prepared by the trustee (as at 31 December 2013); AFB/B.23/Inf.4, Trustee Presentation: Update on Status of Resources and CER monetization.

Background: The trustee will report on the financial status of the trust funds and the programme on CER monetization to the Board.

Action expected: The Board will be invited to consider and take note of the report presented by the trustee.

### b) *Status of the project/programme pipeline*

Documents: AFB/B.23/6, Options for funding the projects/programmes in the pipeline and AFB/EFC.14/Inf.1, Secretariat's and trustee's joint report on the status of the pipeline. In presenting the PPRC report to the Board the PPRC Chair will provide an updated report on the status of the pipeline based on the recommendations agreed by the PPRC.

Background: The Board at its seventeenth meeting decided to establish a pipeline of fully developed projects/programmes implemented by Multilateral Implementing Entities (MIE) recommended by the PPRC exceeding the 50 per cent cap for MIEs and established the criteria for prioritizing them in the pipeline<sup>1</sup>. Further, at its eighteenth meeting the Board decided to request the

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<sup>1</sup> The Board decided to:

- (a) Maintain the 50 per cent cap on the funding of project/programmes implemented by MIEs established by decision B.12/9, and exclude project/programme concepts from the 50 per cent calculation;
- (b) Establish a pipeline of fully developed projects/programmes that have been recommended by the PPRC for approval by the Board, but exceeding the 50 per cent cap;
- (c) Prioritize the projects/programmes in the pipeline by sequentially applying the following criteria:
  - (i) Their date of recommendation by the PPRC;
  - (ii) Their submission date; and
  - (iii) The lower "net" cost.
- (d) Consider fully developed projects/programmes in the pipeline for approval, subject to availability of resources and respecting the 50 per cent cap; and
- (e) Request that the EFC consider at its 9th meeting the suspension of project/programme submissions as the last measure and elaborate on a clear threshold that indicates when the measure should be applied (e.g. 60 per cent excess of the cap).

(Decision B.17/19)

secretariat and trustee to provide a consolidated report on the status of the pipeline at every EFC meeting. On the basis of the report and the recommendation of the EFC the Board decided to consider appropriate measures to implement the cap, including through the suspension of MIE project/programme submission as appropriate (Decision B.18/28). Only after the PPRC has agreed on its recommendations will there be full information about the projects/programmes in the pipeline. In addition, the Board at its twenty-second meeting decided to continue deliberations at its twenty-third meeting on the implications of a number of options to fund the pipeline based on a document prepared by the secretariat, including inputs provided by Board members and alternates during the intersessional period (Decision B.22/25). Document AFB/B.23/6 outlines options intended to help the Board in its discussion on how to fund the pipeline and subsequently make a decision on this matter.

Action expected: The Board will be invited to consider the status of the pipeline, including any options to fund it.

**13. Date and venue of the twenty-fourth meeting**

Background: The secretariat will propose the date and venue for the twenty-fourth meeting to be held during the second semester of 2014.

Action expected: The Board will be invited to approve the secretariat's proposal.

**14. Dialogue with civil society organizations**

Document: AFB/B.23/Inf.5, *Provisional agenda of the civil society dialogue*. The Board will hold another session of its ongoing dialogue with civil society organizations on 19 March 2014.

Action expected: the Board will take note of the conclusions of the dialogue.

**15. Other matters**

Action expected: The Board will be invited to discuss any other matters raised during the adoption of the agenda.

**16. Adoption of the report**

Action expected: The Board will be invited to adopt the report of its twenty-third meeting.

**17. Closure of the meeting.**

**PROVISIONAL TIMETABLE****Day 1: 20 March 2014***Morning Session*

9:00 – 9:30	1	Opening of the meeting
	2	Transition of the Chair and Vice-Chair
	3 a)	Adoption of the agenda
	3 b)	Organization of work
9:30 – 9:45	4	Report of the Outgoing Chair
9:45 – 10:00	5	Report of the secretariat
10:00 – 10:30	6	Report of the Accreditation Panel

*10:30 – 10:45 Coffee break*

10:45 – 11:15	7	Report of the PPRC
11:15 – 12:00	8	Report of the EFC
12:00 – 12:30	9 a)	Report of the fundraising task-force

*Afternoon Session*

14:00 – 14:45	9 b)	Readiness programme
14:45 – 15:30	10	COP19/CMP9 issues

*15:30 – 15:45 Coffee break*

15:45 – 16:15	12 a)	Financial status of the trust fund and CER monetization
16:15 – 17:00	12 b)	Status of the pipeline

**Day 2: 21 March 2014***Morning Session*

9:00 – 9:30	11	Communications
9:30 – 10:15	15	Other matters
10:15 – 10:30		Coffee break
10:30 – 11:00	13	Date and venue of AFB 24



*Afternoon Session*

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| 14:30 – 16:30 | 16 | Adoption of the report |
|               | 17 | Closure of the meeting |

**NOTE:**

- The Head of the Adaptation Fund Board secretariat, Ms. Naoko Ishii, will address the Board on 19 March 2014 at 9:00am.
- Agenda item 14, Dialogue with civil society organizations, will be discussed on 19 March 2014 at 14:00hs.
- Agenda item 11, Communications and outreach, will start on 19 March 2014 at 15:00hs with a messaging and media coaching session for Board members and civil society organizations (closed).