

The Adaptation Fund

AFB/B.3/5
August 25, 2008

Adaptation Fund Board
Third Meeting
Bonn, September 15-18, 2008

Agenda Item 5 (c)

DRAFT RULES OF PROCEDURE OF THE ADAPTATION FUND BOARD

I. SCOPE

1. These rules of procedure shall apply to the conduct of the business of the Adaptation Fund Board, in accordance with Decision 1/CMP.3 of the Third Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. These rules become effective on their adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. Until then, it is proposed that the Board follow these rules on an interim basis.

II. DEFINITIONS

2. For the purpose of these rules:

- (a) “Fund” means the Adaptation Fund pursuant to Decision 10/CP.7 of the Seventh Conference of the Parties to the United Nations Framework Convention on Climate Change.
- (b) “Board” means the Adaptation Fund Board, established by Decision 1/CMP.3 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as the Operating Entity of the Adaptation Fund with the mandate to supervise and manage the Adaptation Fund under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
- (c) “Member” means a representative elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as a member of the Adaptation Fund Board, accorded the right to vote.
- (d) “Alternate” means a representative elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as an Alternate for each Member.
- (e) “Meeting” means any meeting of the Adaptation Fund Board.
- (f) “Chair” means the Board Member elected Chair of the Adaptation Fund Board, according to paragraph 11 of these rules.
- (g) “Vice-Chair” means the Board Member elected Vice-Chair of the Adaptation Fund Board, according to paragraph 11 of these rules.
- (h) “Secretariat” is a body appointed by the Conference of the Parties serving as the meeting of the Parties to provide secretariat services to the Board and to the Fund, consistent with paragraphs 3, 18, 19 and 31 of Decision 1/CMP.3
- (i) “Trustee” means the Trustee for the Adaptation Fund.
- (j) “Implementing Entities” means the international, regional, sub-regional or bilateral agencies/organizations that have been identified by the Board as meeting the criteria adopted by the Board, in accordance with Decision 1/CMP.3 (5)(c), to

access funding to implement concrete adaptation projects and programs supported by the Fund.

- (k) “Executing Entities” are national, sub-regional and regional entities that are chosen by governments of eligible Parties and that meet the criteria set by the Board, to access funding to implement concrete adaptation projects and programs supported by the Fund, subject to such audit mechanisms and due diligence criteria as established by the Board.
- (l) “UNFCCC” means the United Nations Framework Convention on Climate Change.
- (m) “Protocol” means the Kyoto Protocol under the United Nations Framework Convention on Climate Change.
- (n) “Parties” means Parties to the Protocol.
- (o) “Annex I Parties” means Parties listed in Annex I of the UNFCCC.
- (p) “Non-Annex I Parties” means Parties not listed in Annex I of the UNFCCC.
- (q) “Secretary” means the person in charge of providing support services and logistics to the Adaptation Fund Board meetings
- (r) “Head of Secretariat” means the Head of the entity responsible for rendering secretariat services to the Adaptation Fund Board, which on an interim basis is the CEO of the Global Environment Facility.

III. BOARD

3. The Board shall comprise 16 members representing Parties, formally elected by a Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the Adaptation Fund as follows:

- (a) Two representatives from each of the five United Nations Groups.
- (b) One representative of the Small Island Developing States.
- (c) One representative of the Least Developed Country Parties.
- (d) Two other representatives from Annex I Parties.
- (e) Two other representatives from non-Annex I Parties.

4. The election of each Member is to be accompanied by the election of an Alternate following the same principles as set out in paragraph 3 above.

5. The Member and Alternate shall each serve for a term of two calendar years and shall be eligible to serve a maximum of two consecutive terms.

6. If a Member or an Alternate resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, a new Member or Alternate shall be elected in accordance with paragraph 8 of Decision 1/CMP.3.

7. Notwithstanding paragraph 6, if a Member or an Alternate resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the Adaptation Fund Board may decide, bearing in mind the proximity of the next session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to appoint another member, or an alternate member, from the same constituency to replace the said member for the remainder of that member's mandate. The Adaptation Fund Board shall request the relevant constituency to nominate the new member, or the new alternate.

8. Except as may be expressly provided otherwise in these rules, any reference in these rules to a Member shall be deemed to include his/her Alternate, when such Alternate acts for such Member.

9. Members and Alternates shall be bound by the rules of procedure of the Board, and shall recuse themselves for all related deliberations and decision-making should any personal and/or financial interest arise in any aspect of a project activity or a body representing a project for approval to the Board. Members and Alternates have an obligation to promptly disclose any such situation.

10. Members and Alternates have a duty not to disclose confidential or proprietary information, unless required by applicable national law. This duty remains an obligation after the Member's term expires.

IV. OFFICERS

11. The Board shall elect the Chair and Vice-Chair from among its Members, with one being from an Annex I Party and other being from a non-Annex I Party. The term of office of the Chair and Vice-Chair shall be one calendar year. The office of Chair and Vice-Chair shall alternate annually between a Member from an Annex I Party and a Member from a non-Annex I Party.

12. If the Chair is temporarily unable to fulfill the obligations of the office, the Vice-Chair shall in the interim assume the obligations and authorities of the Chair.

13. If the Chair or Vice-Chair is unable to complete the term of office, the Board shall elect a replacement to complete the term of office.

14. The Chair shall, *inter alia*, declare the opening and closing of the meeting, ensure the observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The Chair shall rule on points of order and, subject to these rules, shall have complete control of the proceedings and over the maintenance of order, including adjournment or suspension. The Chair shall report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on behalf of the Board.

V. SECRETARIAT

15. The Secretariat shall:
- (a) Identify a dedicated team of officials to render secretariat services to the Adaptation Fund Board.
 - (b) make the necessary arrangements for the meetings of the Board, including ensuring that announcements of the meetings are posted on the Adaptation Fund and UNFCCC websites, issuing invitations, preparing meeting documents and the final report, which will include decisions of the meeting, and shall post all documents on the website of the Adaptation Fund;
 - (c) designate a member of the dedicated team of officials to serve as Secretary of the Adaptation Fund Board meetings to provide support services and logistics.
 - (d) keep meeting records and arrange for the custody and preservation of documents of the meetings in the archives of the entity designated as the Secretariat of the Fund; and
 - (e) generally perform all other functions that the Board may request.

VI. MEETINGS

16. The Board shall meet at least twice every year or as frequently as necessary to enable it to discharge its responsibilities. The meetings of the Board shall take place in the country of the seat of the UNFCCC Secretariat, except when meeting in conjunction with meetings of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or with those of subsidiary bodies under the UNFCCC, in which case the Board meeting may take place in the country/at the venue of the relevant UNFCCC meeting.
17. Meetings shall be open to Members, Alternates, and Observers as referred to in paragraphs 24-27. Observers shall inform the Secretariat of the composition of their delegation four weeks prior to the first day of any scheduled meeting.
18. The Board may declare any of its meetings, or segments thereof, closed; these shall then be open to Members, Alternates and the representatives of the Secretariat and the Trustee. The Board may invite any of the representatives referred to in paragraphs 24-25 to attend such meetings.
19. At each meeting, the Board shall set the date and duration for the next meeting.
20. The Secretariat shall notify all Members, Alternates and Observers of the dates and venue of the meetings and circulate a formal invitation and provisional agenda for any meeting at least 6 weeks before the first day of the meeting.

21. A simple majority of the Members of the Board must be present at a meeting to constitute a quorum. Quorum shall be verified by the Chair at the beginning of the meeting and at the time of the adoption of the decision.
22. Before the end of each meeting, the Chair shall present a Report of the Meeting containing draft conclusions and decisions of the meeting for consideration and approval by the Board. The Chair shall ascertain the existence of a quorum before adopting the Report of the Meeting.
23. Any written records of the Board or recordings of proceedings shall be kept by the Secretariat on behalf of the Board in accordance with paragraph 15 (d) and applicable rules and regulations. The Secretariat shall make available to any Board Member or Alternate, at their request, copies of any records or recordings kept by the Secretariat on behalf of the Board.

VII. OBSERVERS

24. Except where otherwise decided by the Board, meetings shall be open for attendance as Observers to 1 or 2 representatives of UNFCCC Parties and UNFCCC accredited observers. Such Observers may attend without the right to vote.
25. The Secretariat shall, upon the request of the Board, notify any individual or entity, whether national or international, governmental or non-governmental, qualified in the field related to the work of the Fund, of any meeting so that it may be represented by an Observer.
26. Observers may, upon the invitation of the Chair and if there is no objection from any of the Members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency which they represent.
27. Observers may, upon invitation of the Chair and if there is no objection from the Member present, make presentations relating to matters under consideration by the Board.

VIII. PROCEDURES FOR PUBLIC COMMUNICATION

28. Relevant communications received by the Board which are not in response to a call for input (hereinafter referred to as unsolicited communications) may only be taken into consideration at the Board's next meeting if received before the documents submission deadline (four weeks prior to the meeting). Any unsolicited communication received after this deadline would be considered, as appropriate, at a subsequent meeting.
29. Unsolicited communications should be addressed to the Chair of the Adaptation Fund Board and sent to the Adaptation Fund Secretariat via email or fax.
30. The Secretariat shall acknowledge receipt of unsolicited communications addressed to the Board and make them available to the Board via email. In consultation with the Chair of the Board, the Secretary of the Board shall initiate action, including consultation with the Board, as needed, and answer unsolicited communications on behalf of the Chair, as appropriate.

31. If a Member or Alternate of the Board, in that capacity, receives an unsolicited communication, he/she shall forward it to the Secretariat, copying the sender of the unsolicited communication, for processing as per the above. The same shall apply for submissions received by members of panels or working groups.

IX. AGENDA

32. A provisional agenda for each regular meeting shall be prepared by the Secretariat in consultation with the Chair and Vice-Chair of the Board. The provisional agenda, together with the notice of the meeting and other relevant documents, shall be transmitted to all those invited to the meeting in accordance with paragraphs 20 and 39 of these rules.

33. The Board shall, at the beginning of each meeting, adopt the agenda for the meeting.

34. The Secretariat shall report to each meeting on the administrative and financial implications of all substantive agenda items submitted to the meeting before the Board considers such items.

35. Any item on the agenda of any meeting, consideration of which has not been completed at the meeting, shall automatically be included in the agenda of the next meeting unless otherwise decided by the Board.

X. COMPENSATION

36. Members and Alternates of the Board shall be remunerated through an increased daily subsistence allowance that is 40% more than the standard UN DSA rate, not exceeding US \$5,000 per year.

XI. TRAVEL

37. Members and Alternates of the Board shall have their full costs of travel and DSA, including full transit costs, at the standard UN DSA rate, as provided under the budget of the Board and Secretariat;

38. Travel for Board members and alternates shall be arranged according to United Nations rules.¹

XII. TRANSMITTAL OF DOCUMENTS

39. The Secretariat shall transmit the documentation related to items on the provisional agenda to all those invited to the meeting at least four weeks before the first day of the meeting scheduled. [Documentation will be provided in three languages, as referred to in paragraph 49.]

XIII. DECISION-MAKING AND VOTING

40. Decisions of the Board shall be taken by consensus whenever possible.

¹ Until such time as the Trust Fund of the Adaptation Fund has been established, this provision shall be subject to appropriate financing arrangements.

41. If all efforts at reaching a consensus have been exhausted and no agreement has been reached, decisions shall be taken by a two-thirds majority of the Members present at the meeting on the basis of one member, one vote.

42. Whenever decisions require a formal vote, the written text of the motion shall be distributed to all Members. If an amendment to a proposal before the Board is presented by a Member or Members, voting shall take place first on the amendment. In the case of more than one amendment, voting shall take place first on the amendment farthest removed from the original proposal.

43. After ascertaining the existence of a quorum, the Chair shall announce the start of voting, after which no one shall be permitted to intervene until the results of the vote have been announced, unless an issue is raised in connection with the process of voting.

XIV. COMMITTEES AND WORKING GROUPS

44. The Board may establish committees, panels and working groups, if required, to provide, *inter alia*, expert advice, to assist the Adaptation Fund Board in the performance of its functions.

XV. INTERSESSIONAL DECISIONS

45. Decisions without meeting may occur on an extraordinary basis when, in the judgment of the Chair and Vice-Chair, with the advice of the Secretariat, a decision must be taken by the Board that should not be postponed until the next meeting of the Board. The Secretariat shall transmit to each Member and Alternate a proposed decision with an invitation to approve the decision on a no-objection basis.

46. Each Member's comments on the proposed decision shall be sent to the Secretariat during such period as the Secretariat may prescribe, provided that such period is no less than two weeks.

47. At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the Members. If there is an objection raised by any Member to any proposed decision that cannot be resolved, the Secretariat shall include consideration of the proposed decision as an item in the agenda for the next meeting.

48. The Secretariat shall communicate via the Adaptation Fund website all intersessional decisions of the Board to Members, Alternates and Observers.

XVI. LANGUAGES

49. The working languages of the Board shall be English, French, and Spanish. Simultaneous interpretation shall be provided in these three languages at meetings. The working language of the Board shall be English.

50. The full text of all reports containing decisions taken by the Board shall be made publicly available via the Adaptation Fund website in all the six official languages of the United Nations.

XVII. AMENDMENTS TO RULES OF PROCEDURE

51. These rules of procedure may be amended according to paragraphs 40-43 and 45-48 above and, to be effective, must be formally approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

XVIII. OVERRIDING AUTHORITY OF THE PROTOCOL

52. In the event of any conflict between any provisions of these rules and any provisions of the Kyoto Protocol, the Kyoto Protocol shall prevail.