

The Adaptation Fund

AFB/B.5/5
March 5, 2009

Adaptation Fund Board
Fifth Meeting
Bonn, March 24–27, 2009

Agenda Item 11

ESTABLISHING BOARD COMMITTEES

Adaptation Fund Board Committees

Proposal by the Chair of the Adaptation Fund Board

Overview

Decision 1/CMP.3 provides that one of the functions of the Adaptation Fund Board (the Board) is to establish committees, panels and working groups, if required, to provide, *inter alia*, expert advice to assist the Board in the performance of its functions.

In accordance with this mandate, it is hereby proposed to establish the following committees to assist the Board on request with its future work:

- 1. Ethics and Finance Committee (EFC)**
- 2. Strategic Projects and Programmes Committee (SPPC)**

The Committees will be entrusted by the Adaptation Fund Board to assist the work of the Board and to provide advice, guidance and information on its deliberations and decision-making.

The Committees shall function under the authority and guidance of the Board, and in accordance with their particular Terms of Reference and the General Guidelines for Committees as approved by the Board.

The Committees shall be serviced by the Secretariat of the Board. Their work shall be covered by the Adaptation Fund and they will meet simultaneously during the time allocated for each meeting of the Board, when required.

Adaptation Fund Board Committees

Ethics and Finance Committee (EFC)

Draft Terms of Reference

The EFC shall be responsible for providing advice to the Adaptation Fund Board on issues of conflict of interest, ethics, finance and audit. In this regard the EFC shall:

- Be comprised of **XX** members;
- Develop, for approval by the Board, a draft Policy on Ethics and Conflict of Interest concerning all the Adaptation Fund operations and related entities;
- Oversee the Policy on Ethics and Conflict of Interest and its implementation and resolve differences in its interpretation;
- Review and provide advice on the budget for the operating expenses of the Board, Secretariat and Trustee, as well as the monetization of the CERs;
- Make recommendations to the Board on the selection of external auditors for the Adaptation Fund, receive and consider their results and report to the Board thereon;
- Review the Fund's Audited Financial Statements for each year and make recommendations to the Board regarding the approval of the Financial Statements;
- Advise the Board on overall resource mobilization policy and approach;
- Oversee the activities of the Secretariat involving recruitment and procurement of services and other activities related to the committee's area of responsibility;
- Review the overall performance of the Adaptation Fund making use of both internal and external evaluations and other reports informing and commenting back to the Board;
- Make recommendations to the Board to ensure consistency with the decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol that are relevant to the work of the Board, in particular decision 1/CMP.3, the Policy on Ethics and Conflict of Interest, and decisions of the Board, as necessary and appropriate for achieving the objectives of the Adaptation Fund;
- Forward any issues related to the Committee's mandate to the Board for discussion and determination; and
- Undertake other activities as determined by the Adaptation Fund Board.

Committees Established by

The Adaptation Fund Board

Strategic Projects and Programmes Committee (SPPC)

Draft Terms of Reference

The SPPC shall be responsible for assisting tasks of the Adaptation Fund Board related with project/programme reviews included in the Fund's project cycle, for monitoring the functions of the core governance structures of the Adaptation Fund and for providing advice upon them to the Board on the basis of the Results-Based-Management framework of the Fund's portfolio.

The SPPC shall further provide advice to the Board on all strategy and policy issues related with the Fund's portfolio consistent with the decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Board and with relevant lessons learnt and best practices gained around the world. In this regard the SPPC shall:

- Be comprised of **XX** members;
- Provide advice to the Board on overall strategic planning for the Adaptation Fund ensuring on-going process of learning and evolution;
- Submit project proposals from eligible Parties to the Board for its approval, taking into account the mandate of the Board as the Operating entity of the Fund in this regard;
- Review regular updates from the Secretariat on the status of project implementation;
- Review and provide advice to the Board on proposal guidelines, project review criteria and appeal processes as well as criteria for, and recruitment of, consultants;
- Provide advice on initiatives to facilitate the provision of technical support through the expansion of operational partnerships;
- Provide guidance to the Board on policies for the Adaptation Fund; and

Undertake other activities as determined by the Adaptation Fund Board

Committees Established by

The Adaptation Fund Board

Draft General Guidelines for Committees

A. MEMBERSHIP

1. The Committees shall consist of Members and Alternates of the Adaptation Fund Board.
2. Members of the Committees shall have the same expertise as required for Members and Alternates of the Adaptation Fund Board as stated in paragraph 8 of decision 1/CMP.3.
3. The Members of the Committees shall serve for a term of 1 year and shall be eligible to serve a maximum of two consecutive terms. Rotation of Members will be made in a graduated way so as to ensure continuity and consistency.
4. If a Member is not able to carry out his or her functions, or ceases to be a Member, a new Member shall be appointed by the Adaptation Fund Board for the remainder of the term.

B. CHAIRMANSHIP

5. The Chair and Vice-Chair of the Adaptation Fund Board, in consultation with Members of the Board, will nominate Chairs and Vice-Chairs for each Committee for election by the Adaptation Fund Board.
6. The Adaptation Fund Board shall elect the Chair and Vice-Chair of each Committee, with one being a Member from an Annex I Party and the other being from a non-Annex I Party. The position 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. Members or Alternates of the Adaptation Fund may be nominated as Chairs or Vice-Chairs of the Committees.
7. At the first Adaptation Fund Board meeting of each calendar year, the Board shall appoint a Chair and a Vice-Chair for the Committees.
8. If the Chair or Vice-Chair is not able to carry out his or her functions, or ceases to be a Member, the new Chair or Vice-Chair shall be appointed by the Adaptation Fund Board for the remainder of the term.

C. ACCOUNTABILITY

9. The Adaptation Fund Board shall specify which Committee shall bear primary responsibility for a particular issue when necessary. The decisions and work plan of the Adaptation Fund Board shall clearly state which Committee is the lead actor on that area of work.
10. Where appropriate, Committee meetings will be scheduled to facilitate collaboration between the Committees with a common interest (including cross-cutting meetings).
11. Only Committee Members will attend Committee meetings.
12. There will be no observers permitted to attend Committee meetings.

D. OPERATING PROCEDURES

13. The Adaptation Fund Board will adopt terms of reference of the Committees. The Terms of Reference will be revised, as necessary, by the Board following its review of the recommendations made by the Committees
14. The Committees shall act only in accordance with these terms of reference, or on any other matter at the direction of the Adaptation Fund Board.
15. The Committees will consult broadly on major policy issues and other issues of cooperation.
16. The Secretariat will establish a secure website for each Committee to facilitate these consultations and to provide Board Members access to the working documents of all Committees.
17. The Committees will conduct an annual self assessment (including meeting attendance, performance against plan, effectiveness) and forward this to the Adaptation Fund Board for review.
18. The Chairs of the Committees shall endeavor to reach consensus regarding proposed recommendations to the Adaptation Fund Board. In those circumstances where a Committee cannot reach consensus, it shall develop recommendations by reflecting the views of the Members.
19. Recommendations of the Committees shall be made publicly available, unless otherwise decided by the Adaptation Fund Board.
20. A recommendation by a Committee shall be forwarded to the Adaptation Fund Board for consideration.

21. The Committees will convene its meetings as determined by the Board and will meet simultaneously, during the time allocated for each meeting of the Board.
22. Committees shall report to the Adaptation Fund Board in accordance with their terms of reference.

E. USE OF EXPERTS

23. Expert input to the Committees may be provided at their discretion and in consultation with the Adaptation Fund Board Chair;
24. The Committee Chair and Vice-Chair, in conjunction with the Secretariat, will choose participants on panels from a list of nominations submitted by the Committee. These independent experts will be subject to the Adaptation Fund Board's Policy on Ethics and Conflict of Interest;
25. Input from an expert or panel shall be provided through a mechanism to be determined by the Committee, which may include reporting directly to the Committee as a whole, or reporting through the Committee Chair and/or Vice-Chair.
26. The Committee will provide terms of reference for such experts.

F. ROLE OF THE SECRETARIAT

27. The Secretariat will coordinate and facilitate the work of the Committees, providing support to the Committee Chairs and Vice-Chairs;
28. The Secretariat will appoint one qualified individual from the Secretariat for each Committee to be the Secretariat focal point.
29. The Secretariat's Committee focal point will be accountable on a long-term basis to the appointed Committee and will, for reasons of efficiency, coherence and continuity, provide secretarial assistance and support to the work of the Committee, attend its meetings, and assist the Chair and the Vice-Chair in order to prepare, facilitate and coordinate its work plan and meetings. The focal point will be subject to the guidance of the Chair and Vice-Chair, and will be responsive to the tasks assigned to them by the Committee.