



ADAPTATION FUND

AFB/EFC.14/8  
13 March 2014

---

Ethics and Finance Committee  
Fourteenth meeting  
Bonn, Germany, 18-19 March 2014

Agenda item 10 b)

## **WORK PLAN FOR FISCAL YEAR 2015**

## Background

1. At its twentieth meeting the Adaptation Fund Board (the Board) approved the work plan for the fiscal year 2014 (FY14: 1 July, 2013 – 30 June 2014). The present document summarizes the actions and decisions taken by the Board in the period **1 July 2013 – 17 March, 2014 (the reporting period)** in compliance with the approved work plan for FY14. During the period covered, the Board convened twice, for its twenty-first and twenty-second meetings, which took place on 1-4 July and 29 October–1 November 2013. This document presents a proposed work plan for FY15, prepared by the secretariat and based on the mandate that the Board received from the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP) and decisions adopted by the Board, for consideration by the Ethics and Finance Committee (EFC).

2. The work plan for the next fiscal year is generally presented at the last Board meeting of the fiscal year. The proposed work plan for FY15 is therefore being presented for Board approval at the Board's twenty-third meeting to be held on 20-21 March 2014.

## Compliance with work plan for FY14

3. During FY14 and as of the date of issuance of this document the Board has fulfilled the following functions mandated by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in decisions 1/CMP.3 and 1/CMP.4:

- The Board has accredited an additional two Regional Implementing Entities (RIEs), thereby extending the opportunity to access resources through the direct access modality to a total of 15 countries and three regions to date.
- The Board has approved six projects/programmes for funding for a total amount of US\$ 41.2 million. The total amount of funds disbursed during the reporting period is US\$ 18 million. Additionally, the Board has endorsed five project concepts. It is worth mentioning that five projects placed in the pipeline (Guatemala, Seychelles, Cuba, Uzbekistan and Myanmar) have been funded during the reporting period, with a total requested amount of US\$ 31.2 million.
- The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session (CMP8) concluded the initial review of the Fund. It further decided "that the interim institutional arrangements of the trustee of the Adaptation Fund, [...] will be extended until June 2015;" and "to extend the interim institutional arrangements of the secretariat of the Adaptation Fund Board, as provided by decision 1/CMP.3, until the completion of the second review of the Adaptation Fund in 2014..." The CMP8 also requested "the Subsidiary Body for Implementation, at its thirty-eighth session, to initiate the second review of the Adaptation Fund in accordance with the terms of reference contained in the annex to decision 6/CMP.6, or as these guidelines may be subsequently amended, and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session, with a view to the review being undertaken by the Conference of the Parties serving as the

meeting of the Parties to the Kyoto Protocol at its tenth session.”<sup>1</sup> Further, CMP9 decided that the second review of the Fund will be undertaken in accordance with the terms of reference contained in the annex to decision 2/CMP.9 and requested the SBI to consider the second review at its fortieth session, with a view to recommending a draft decision for consideration and adoption by CMP 10 (December 2014). CMP 9 also requested the Board to make available in its report to CMP 10 information on the financial status of the Adaptation Fund, with a view to finalizing the second review of the Fund at the same session.<sup>2</sup>

- The CER monetization programme continued being implemented by the trustee. The cumulative proceeds of the programme amount to US\$ 189.79 million as of 31 December 2013.<sup>3</sup>
4. The following actions derived from Board decisions and included in the work plan for FY14 were also implemented during the reporting period:
5. At each session of the CMP the Board is requested to report on its activities (decision 1/CMP.3, paragraph 5 (I)).
6. In addition to the actions mandated by the CMP, the Board decided the following:
- Undertake fundraising activities through the task force of Board members<sup>4</sup> and the Manager of the secretariat<sup>5</sup>
  - Implement the Fund’s fundraising strategy in order to achieve the fundraising target of US\$ 100 million by end of 2013. As a result of these actions the Fund raised US\$ 31.8 million counting towards the fundraising target. An additional US\$ 73.3 million was pledged during COP19 / CMP9, which would increase the total amount to US\$ 105.1 million, thus meeting the Board goal.<sup>6</sup> The Board may want to consider setting a new fundraising target at its current (twenty-third) meeting;
  - Consider options for an evaluation of the Fund at its twenty-third meeting
  - Conduct four portfolio monitoring missions to a combination of projects/programmes implemented by NIEs and MIEs. As of the twenty-third meeting, two back-to-back portfolio monitoring missions to the United Nations Development Programme (UNDP) implemented projects in Honduras and Nicaragua have been carried out. A third mission is planned for end of the fiscal year.

---

<sup>1</sup> Decision 4/CMP8.

<sup>2</sup> Decision 2/CMP.9.

<sup>3</sup> Adaptation Fund Trust Fund financial report prepared by the trustee as of December 31, 2013.

[http://fiftrustee.worldbank.org/webroot/data/AF\\_TR\\_12\\_13.pdf](http://fiftrustee.worldbank.org/webroot/data/AF_TR_12_13.pdf)

<sup>4</sup> Decision B.19/29

<sup>5</sup> Decision B.16/24.

<sup>6</sup> Please note that received contributions from COP19/CMP9 as of 31 Jan 2014 amount to US\$ 54.9 million. The US dollar value of outstanding pledges (estimated at US\$ 18.4 million) will only be confirmed upon receipt of the contributions and conversion to US dollar. The indicative conversion rate used is interbank rate of 12 March 2014.

- Approve the environmental and social policy of the Fund and the amendments to the operational policies and guidelines for Parties to access resources from the Adaptation Fund (OPG), its related templates, and instructions, and the accreditation application. The Board also approved a tiered approach to deal with already accredited implementing entities and applicants under review, within the context of the environmental and social policy. The approach should include guidance or support to these entities for compliance with the environmental and social policy through the Fund's readiness programme.<sup>7</sup>
- Approve the Phase I of a programme to support readiness for direct access to climate finance for national and regional implementing entities. The Board will consider execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities, at its twenty-third meeting.<sup>8</sup>
- Continue deliberations at its twenty-third meeting on the implications of a number of options to fund the project/programme pipeline.<sup>9</sup>

7. The Board has also decided to perform some ongoing activities of supervision on its advisory bodies, the two Board Committees and the Accreditation Panel, and its portfolio:

- The Committees shall report annually to the Board on their performance, including meeting attendance and effectiveness (General guidelines for Committees, paragraph 17). The Committees' reports are merged into the annual report of the Board to the CMP;
- Present the status of portfolio monitoring through an annual performance report, prepared by the secretariat under the direction of the EFC.<sup>10</sup>
- Consideration of cost-cutting options in light of the Fund's fiscal constraints<sup>11</sup>;
- Review and amendment of the operational policies and guidelines:

### **Proposal of work plan for FY15**

8. Based on the above, the secretariat presents to the EFC the work schedule, as contained in the annex to this document. The routine activities of the Board (i.e. CER monetization issues, consideration and approval of project proposals) are not included in the work schedule. Other actions can be added as a result of the decisions adopted by the Board at this meeting.

---

<sup>7</sup> Decision B.22/23.

<sup>8</sup> Decision B.22/24.

<sup>9</sup> Decision B.22/25.

<sup>10</sup> Report of the 10th meeting of the Adaptation Fund Board, Annex IV, paragraph 24.

<sup>11</sup> Decision B.19/26

**Recommendation**

9. The EFC may wish to consider and recommend to the Board for approval
  - (a) The draft work plan for FY15 and the tentative work schedule, as contained in document AFB/EFC.14/8; and
  - (b) A new fundraising target for the Fund.

## **DRAFT WORK PLAN FY15: TENTATIVE WORK SCHEDULE**

### **Intersessional period (June-September 2014)**

- Consideration of the draft report to CMP 10, including information on the financial status of the Fund requested by decision 2/CMP.9 to inform the second review of the Fund;
- Consideration of the sixteenth Accreditation Panel report;
- Intersessional review of and decisions on project and programme proposals (if this option is approved by the Board at its 23rd meeting);
- Plan of remaining portfolio missions for FY15

### **Twenty-fourth meeting: Second half of 2014**

- Consideration of the Annual Performance Report: FY 2014;
- Consideration of the seventeenth Accreditation Panel report;
- Report of the portfolio monitoring mission to the programme in Jamaica (PIOJ), (scheduled for end of FY14)
- Report of the first portfolio monitoring mission of FY15 (target project, possibly Uruguay, to be confirmed intersessionally)
- Progress report on the readiness programme
- Consideration of the programme completion report of the CSE programme in Senegal (if available)

### **Twenty-fifth meeting: First half of 2015**

- Consideration of the eighteenth report from Accreditation Panel
- Proposal of budget FY15;
- Proposal of work plan FY15;
- Report of the second and third portfolio monitoring missions of FY15 (target projects to be confirmed intersessionally, tentatively upon finalization of the Senegal programme and a mission to an advanced MIE project in the Asia-Pacific region);
- Overall evaluation of the Adaptation Fund (depending on Board decision).

### **Intersessional period (Spring-June 2015)**

- Intersessional review of and decisions on project and programme proposals (if option is approved by the Board at its 23rd meeting);