



## ADAPTATION FUND

AFB/EFC.16/2  
17 March 2015

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Ethics and Finance Committee  
Sixteenth Meeting  
Bonn, Germany, 7-8 April 2015

### **ANNOTATED PROVISIONAL AGENDA**

#### **1. Opening of the meeting**

The meeting will be opened by the outgoing Vice-Chair of the Ethics and Finance Committee (EFC), Ms. Irina Helena Pineda Aguilar (Group of Latin American and Caribbean Countries).

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

Ms. Irina Helena Pineda Aguilar (Group of Latin American and Caribbean Countries) will take over the Chairmanship of the EFC. She will hand over the Vice-Chairmanship to Ms. Tove Zetterström-Goldmann (Sweden, Western European and Other States).

#### **3. Organizational matters**

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

Documents: AFB/EFC.16/1, Provisional agenda and AFB/EFC.16/2, Annotated provisional agenda.

Action expected: The EFC will be invited to adopt the agenda for the meeting and to raise any other matters it may wish to discuss. These other matters will be included on the agenda under item 9.

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

Documents: AFB/EFC.16/1, Provisional agenda and AFB/EFC.16/2, Annotated provisional agenda.

Background: The Chair will propose to the EFC the organization of work as suggested in the attached provisional timetable.

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

#### **4. Modified accreditation process for small entities**

Document: AFB/EFC.16/7, *Streamlined Accreditation Process*

Background: At its 23rd meeting the Board decided to continue its consideration of approval for accreditation of small national implementing entities (SNIEs) on the basis of a “Streamlined Accreditation Process” (Decision B.23/17). Based on the update from the Panel on its experience gained to date in operationalizing the streamlined accreditation process and on advising two SNIEs on viable alternatives to address the requirements of the fiduciary standards as written in Annex II of the report of the Accreditation Panel to the 23rd Board meeting (AFB/B.23/4). The Board in decision B.24/22 encouraged the Accreditation Panel to: (i) Finalize its work on the two cases considered applicable for a streamlined approach; and (ii) Present a standardized streamlined accreditation process for SNIEs for consideration by the Board at its 25th meeting. Document EFC/16/7 presents: (i) a proposed streamlined accreditation process; (ii) as part of the streamlined process proposes features of the streamlined process that could apply to the regular accreditation process; and (iii) introduces a staged approach for the regular and streamlined in order to increase the efficiency and the effectiveness of the Fund’s accreditation Process. Annex 1 of the document also provides a summary and lessons learned from the work the Panel has undertaken with regards to the two cases considered under a streamlined approach.

Action expected: The EFC will be invited to consider the proposal contained document EFC/16/7 and to recommend the Board to approve the revised two-stage accreditation process and approve the streamlined process for SNIEs

#### **5. Evaluation of the Fund**

Document: none.

Background: The Board at its 23rd meeting decided to approve the option of a two-phase evaluation of the Fund with the aim of completing Phase I (process evaluation) in time for discussion at the 24th meeting. Due to complications with setting up the evaluation parameters and finalization of the ToR, the evaluation could not start until October 2014; therefore the discussion will take place at this meeting, following a presentation by one of the evaluators.

Action expected: The EFC will be invited to consider the presentation by the evaluator and ask any questions it may have.

#### **6. Complaint handling mechanism**

Under this agenda item the secretariat will brief EFC members about any issues brought to its attention under the complaint handling mechanism established by the Board. The EFC will make recommendations to the Board on any issues raised, as appropriate.

## **7. Implementation of the code of conduct**

Under this agenda item EFC members can raise any issues related to the implementation of the code of conduct for deliberation by the EFC. The EFC will make recommendations to the Board on any issues raised, as appropriate. The code of conduct text is available on the Fund's website.

## **8. Financial issues**

### *a) Guidelines for the monetization of carbon assets:*

Document: AFB/EFC.16/3, *Guidelines for monetization of carbon assets.*

Background: The Board at its 24th meeting decided to request the interim trustee to monetize other carbon assets for the Fund, in addition to CERs. The trustee and the CMP have amended the Terms and Conditions of Service of the trustee by CMP Decision (1/CMP.10) and subsequent adoption by the World Bank's Board of Directors. In addition, amendments to the Adaptation Fund's current CER Monetization Guidelines will be required, to incorporate the monetization of other carbon assets to be added to the Fund share of proceeds (specifically AAUs and ERUs). The trustee therefore recommends that the current CER monetization guidelines be replaced with the Carbon Assets Monetization Program Guidelines, as contained in document AFB/EFC.16/3

Action requested: The EFC will be invited to consider the amendments to the terms and conditions of service of the trustee and to the CER monetization guidelines proposed by the trustee and recommend them for approval by the Board.

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

Documents: AFB/EFC.16/4, *Adaptation Fund Trust Fund: Financial report prepared by the trustee (as at 31 December 2014)*, and AFB/B.25/Inf.4, *Trustee presentation: Update on status of resources and CER monetization.*

Background: The trustee will report on the financial status of the trust fund to the EFC.

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

### *c) Work Plan for the fiscal year 2016:*

Document: AFB/EFC.16/5, *Work plan for the fiscal year 2016.*

Background: the secretariat will present the work plan proposal for fiscal year 30 June 2015 – 1 July 2016 (FY 2016) for consideration by the EFC.

Action expected: the EFC will be invited to consider and recommend to the Board for approval the work plan for FY16.

*d) Board and secretariat, and trustee budgets for the fiscal year 2016.*

Document: AFB/EFC.16/6, *Administrative budgets of the Board and secretariat, and the trustee for the fiscal year 2016.*

Background: the secretariat and the trustee will present the budget request for fiscal year 1 July 2015 – 30 June 2016.

Action expected: the EFC will be invited to consider and recommend to the Board for approval the Board, secretariat, and trustee's budgets for the fiscal year 2016.

**9. Other matters**

EFC members will be invited to discuss any other matters raised during the adoption of the agenda.

**10. Adoption of the recommendations and report.**

**11. Closure of the meeting.**

**PROVISIONAL TIMETABLE****Day 1: 7 April 2015***Morning session*

9:00 – 9:30	1	Opening of the meeting
	2	Transition of the Chair and the Vice-Chair
	3 a)	Adoption of the agenda
	3 b)	Organization of work
9:30 – 10:15	5	Evaluation of the Fund
10:15 – 10:30	7	Implementation of the code of conduct
10:30 – 10:45		Coffee break
10:45 – 11:30	9	Other matters
11:30 – 12:00	8.c)	Work plan FY 16

*Afternoon session*

14:00 – 14:45	6	Complaint handling mechanism
14:45 – 15:00	8.a)	Guidelines for monetization of carbon assets
15:00 – 15:30	8.b)	Financial status of the trust fund
15:30 – 15:45		Coffee break
15:45 – 16:30	8.d)	Budget FY16

**Day 2: 8 April 2015***Morning session*

9:00 – 10:00	4	Modified accreditation process for small entities.
10:00 – 11:00		Coffee break
11:00 – 13:00	12	Adoption of the report Closure of the meeting