

# The Adaptation Fund

AFB/B.2/1/Rev.2/Add.1  
May 27, 2008

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Adaptation Fund Board  
Second Meeting  
Bonn, June 16-19, 2008

Agenda Item 2 (a)

## PROVISIONAL ANNOTATED AGENDA

**AGENDA ITEM 1. OPENING OF THE MEETING**

1. The meeting will be opened by Mr. Richard Muyungi, Chair of the Adaptation Fund Board.

**AGENDA ITEM 2. ORGANIZATIONAL MATTERS**

**(a) ADOPTION OF THE AGENDA**

2. *Background:* A provisional agenda for consideration by the Board has been circulated to all Board Members as document AFB/B.2/1/Rev.2 *Provisional Agenda*. Document AFB/B.2/1/Rev.2/Add.1 *Provisional Annotated Agenda* has also been circulated.
3. *Action:* The Board will be invited to adopt the agenda for the meeting.

**(b) ORGANIZATION OF WORK**

4. The Chairperson will propose to the Board the organization of work.

**AGENDA ITEM 3. ELECTION OF THE VICE-CHAIR OF THE ADAPTATION FUND BOARD**

5. *Background:* The Vice-Chair for the First Meeting of the Board, Ms. Marita Steinke, has formally notified the Board that she will no longer be able to fulfill her responsibilities as Vice-Chair, as she will no longer be serving on the Board.
6. *Action:* The Board will be invited to nominate and elect a new Vice-Chair.

**AGENDA ITEM 4. ADOPTION OF THE REPORT OF THE FIRST MEETING OF THE ADAPTATION FUND BOARD**

7. *Background:* A Draft Report of the First Meeting of the Board was circulated to Board Members after the Meeting for comments. A revised Draft Report, incorporating the comments of the Board, was developed and has been circulated to all Board Members as AFB/B.1/L.1, *Draft Report of the First Meeting of the Adaptation Fund Board*.
8. *Action:* The Board will be invited to adopt the Draft Report and to request the Chair to include it as an Annex to the Report of the Board to the Fourth Session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

**AGENDA ITEM 5. REPORT ON THE ACTIVITIES OF THE SECRETARIAT**

9. *Background:* Background: Document AFB/B.2/2, *Report on the Activities of the Secretariat*, presents a report on the activities of the Secretariat since the First Meeting of the Board.
10. *Action:* The Board will be invited to take note of the Report

**AGENDA ITEM 6. ISSUES REMAINING FROM THE FIRST MEETING OF THE BOARD**

**(a) ROLE AND RESPONSIBILITIES OF THE ADAPTATION FUND BOARD**

11. *Background:* Background: Document AFB/B.2/3, *Draft Role and Responsibilities of the Adaptation Fund Board*, is a revised version of AFB/B.1/4, *Role and Responsibilities of the Adaptation Fund Board*, incorporating views expressed during the First Meeting of the Board. The document lists the role and responsibilities of the Adaptation Fund Board, as set forth explicitly or implicitly in various decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and by precedents set in other international institutions.
12. *Action:* The Board will be invited to review and approve the Role and Responsibilities of the Adaptation Fund Board

**(b) ADDITIONAL RULES OF PROCEDURE OF THE ADAPTATION FUND BOARD MEETINGS**

13. *Background:* Paragraph 5(e) of 1/CMP.3 requests the Adaptation Fund Board to develop and agree on rules of procedure and recommend these for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. Document AFB/B.1/3, *Rules of Procedure of the Adaptation Fund Board*, was submitted for consideration by the Board at its First Meeting. The Board adopted Articles I and II and considered a revised draft at that meeting. The Board further requested the Secretariat to submit to the Second Meeting of the Board a revised draft incorporating the views expressed by members. Document AFB/B.2/4 provides the revised *Draft Rules of Procedure of the Adaptation Fund Board Meetings*.
14. *Action:* The Board will be invited to review and approve Draft Rules of Procedure and recommend their adoption by the Fourth Session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, in accordance with Decision 1/CMP.3 5(e). The Rules of Procedure will remain in draft form

until they have been approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. The Board may wish to decide to follow these Draft Rules of Procedure until such time as the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol has adopted them.

**(c) 2008 WORK PLAN OF THE ADAPTATION FUND BOARD**

15. *Background:* Document AFB/B.2/5, *Draft 2008 Work Plan of the Adaptation Fund Board*, responds to a request of the Secretariat by the Board to produce a revised draft work plan for the Board that includes elements such as responsible persons, deliverable products and the financial implications of each element.
16. *Action:* The Board is invited to note the document, and to decide which of the tasks listed in Annex 1 can be achieved prior to the 4th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

**(d) LEGAL ARRANGEMENTS FOR THE ADAPTATION FUND SECRETARIAT**

17. *Background:* Document AFB/B.2/6, *Draft Legal Arrangements for the Adaptation Fund Secretariat*, is a recirculation (under a shorter title) of AFB/B.1/11, *Legal Arrangements between the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol and the Council of the Global Environment Facility Regarding Secretariat Services to the Adaptation Fund*. The document provides a draft Memorandum of Understanding that may be used during the interim period to establish the administrative arrangement for the GEF Secretariat to provide secretariat services to the Adaptation Fund.
18. *Action:* The Board will be invited to review and approve the draft legal document for recommendation for adoption to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. The legal document will remain in draft form until it has been approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, in accordance with Decision 1/CMP.3 5(j) and the Council of the Global Environment Facility.

**(e) LEGAL STATUS OF THE ADAPTATION FUND**

19. *Background:* Document AFB/B.2/7, *Legal Status of the Adaptation Fund* provides the rationale for conferring legal status on the Adaptation Fund, by a decision of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

20. The Board will be invited to decide to recommend to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to endow the Adaptation Fund with legal status.

**(f) *PROVISIONAL OPERATIONAL POLICIES AND GUIDELINES FOR PARTIES TO ACCESS RESOURCES FROM THE ADAPTATION FUND***

21. *Background:* Document AFB/B.2/8, *Draft Provisional Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund*, is a recirculation of document AFB/B.1/9. The document proposes provisional operational guidelines for eligible Parties to access resources from the Fund.

22. *Action:* The Board is invited to review the provisional operational policies and guidelines. The Board is further invited to inform the Secretariat whether the Board wishes the Secretariat to do further work on the document.

**(g) *MONETIZATION OF CERTIFIED EMISSION REDUCTIONS (CERs)***

23. *Background:* Document, AFB/B.2/9, *Monetization of Certified Emission Reductions for the Adaptation Fund*, prepared by the World Bank, as the invited trustee of the Adaptation Fund, outlines options for monetizing CERs.

24. *Action:* The Board will be invited to approve the recommendations set out in Document, AFB/B.2/9, subject to the effectiveness of the legal arrangements between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the World Bank.

**(h) *ROLE AND RESPONSIBILITIES OF THE ADAPTATION FUND TRUSTEE***

25. *Background:* Document AFB/B.2/10, *Draft Role and Responsibilities of the Adaptation Fund Trustee*, submitted by the World Bank as the invited Trustee of the Adaptation Fund, describes the role and responsibilities of the Trustee for the Adaptation Fund.

26. *Action:* The Board will be invited to review and endorse the Draft Role and Responsibilities of the Adaptation Fund Trustee, which will remain in draft form until the effectiveness of the legal arrangements between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the World Bank.

(i) **LEGAL ARRANGEMENTS FOR THE ADAPTATION FUND TRUSTEE**

27. *Background:* Document AFB/B.2/11, *Draft Legal Arrangements between the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol and the International Bank for Reconstruction and Development (World Bank) Regarding the Services to be Provided by the Trustee for the Adaptation Fund*, provides a draft legal document that may be used during the interim period to establish the administrative arrangement for the World Bank to provide Trustee services to the Adaptation Fund.
28. *Action:* The Board will be invited to review and, subject to acceptance by the World Bank of the invitation to serve as the interim trustee, approve the draft legal document for recommendation for adoption to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. The legal document will remain in draft form until it has been approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol in accordance with Decision 1/CMP.3 and become effective pursuant to its terms.

(j) **ROLES AND RESPONSIBILITIES OF THE IMPLEMENTING AND EXECUTING ENTITIES**

29. *Background:* Document AFB/B.2/12, *Draft Roles and Responsibilities of the Implementing and Executing Entities*, is a revised version of AFB/B.1/6, *Roles and Responsibilities of the Implementing and Executing Entities*, incorporating views expressed during the First Meeting of the Board. The document lists the roles and responsibilities of the Implementing and Executing Entities of the Adaptation Fund, as set forth explicitly or implicitly in various decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and by precedents set in other international institutions.
30. *Action:* The Board will be invited to review and approve the Draft Roles and Responsibilities of the Implementing and Executing Entities of the Adaptation Fund.

(k) **INVITATION TO IMPLEMENTING ENTITIES TO COOPERATE WITH THE ADAPTATION FUND BOARD**

31. *Background:* Documents AFB/B.2/13, *Draft Invitation to Implementing Entities to Cooperate with the Adaptation Fund Board*, is a recirculation of document AFB/B.1/10. The document provides a draft invitation from the Board asking certain

organizations to provide their qualifications to function as Implementing Entities of the Adaptation Fund.

32. *Action:* The Board will be invited to review and approve the invitation.

**AGENDA ITEM 7. STATUS OF THE ADAPTATION FUND RESOURCES**

33. *Background:* Document AFB/B.2/14, *Status of the Adaptation Fund Resources*, provides information on the revenues pledged, against the approved budget of the Adaptation Fund. This information informs the Board of the level of funds secured and the levels required for the continued operation of the Fund through June 2009, according to the agreed budget.
34. *Action:* The Board will be invited to consider the shortfall of available funds for continuing operation of the activities of the Adaptation Fund.

**AGENDA ITEM 8. NOTE ON PREPARATION OF THE REPORT OF THE ADAPTATION FUND BOARD TO THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL**

35. *Background:* Document AFB/B.2/15, *Note on Preparation of the Report of the Adaptation Fund Board to the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol*, proposes a structure for the report that must be submitted by the Adaptation Fund Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, in accordance with paragraph 5(1) of 1/CMP.3.
36. *Action:* The Board will be invited to review and approve the structure for the Report of the Adaptation Fund Board to the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol; and to authorize the Chair and Vice Chair to prepare it for submission to the UNFCCC Secretariat by 1 September, 2008 for further dissemination to all the Parties and accredited observers at the Fourth Session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

**AGENDA ITEM 9. OTHER MATTERS**

37. Board Members may raise any other business under this agenda item.

**AGENDA ITEM 10. DATE AND VENUE OF THE THIRD MEETING OF THE ADAPTATION FUND BOARD**

38. *Action:* The Board is invited to select a date and venue for the Third Meeting of the Adaptation Fund Board.

**AGENDA ITEM 11. ADOPTION OF THE REPORT AND CLOSURE OF THE MEETING**

39. *Action:* The Board will be invited to adopt the report of its second meeting.



## Draft

### PROVISIONAL TIMETABLE

#### *Day 1, June 16, 2008*

##### *Morning Session*

9:00 – 10:00	Agenda Item 1	Opening of the Meeting
	Agenda Item 2	Organizational Matters
	Agenda Item 2 (a)	Adoption of the Agenda
	Agenda Item 2 (b)	Organization of Work
	Agenda Item 3	Election of Vice-Chair
10:00 – 11:00	Agenda Item 4	Adoption of the Report of the First Meeting of the Adaptation Fund Board
11:00 – 11:15	Agenda Item 5	Report on the Activities of the Secretariat
11:15 – 11:30		<i>Coffee Break</i>
11:30 – 13:00	Agenda Item 6	Issues Remaining from the First Meeting of the Board
	Agenda Item 6 (a)	Role and Responsibilities of the Adaptation Fund Board
	Agenda Item 6 (b)	Rules of Procedure of the Adaptation Fund Board Meetings
<i>Afternoon Session</i>		
15:00 – 16:00	Agenda Item 6 (c)	2008 Work Plan of the Adaptation Fund Board
16:00 – 16:45	Agenda Item 6 (d)	Legal Arrangements for the Adaptation Fund Secretariat
16:45 – 17:00		<i>Coffee Break</i>
17:00 – 18:00	Agenda Item 6 (e)	Legal Status of the Adaptation Fund

#### *Day 2, June 17, 2008*

##### *Morning Session*

9:00 – 11:15	Agenda Item 6 (f)	Provisional Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund
11:15 – 11:30		<i>Coffee Break</i>
11:30 – 13:00	Agenda Item 6 (g)	Monetization of Certified Emission Reductions (CERs)

*Afternoon Session*

15:00 – 16:45	Agenda Item 6 (h)	Role and Responsibilities of the Trustee for the Adaptation Fund
16:45 – 17:00		<i>Coffee Break</i>
17:00 – 18:00	Agenda Item 6 (i)	Legal Arrangements for the Adaptation Fund Trustee

**Day3, June 18, 2008**

*Morning Session*

9:00 – 10:30	Agenda Item 6 (j)	Role and Responsibilities of the Implementing and Executing Agencies
10:30 – 11:00	Agenda Item 6 (k)	Invitation to Implementing Entities to Cooperate with the Adaptation Fund Board
11:00 – 11:15		<i>Coffee Break</i>
11:15 – 11:45	Agenda Item 7	Status of the Adaptation Fund Resources
11:45 – 13:00	Agenda Item 8	Note on Preparation of the Report of the Adaptation Fund Board to the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol

*Afternoon Session*

15:00 – 16:45	Agenda Item 9	Other Matters
16:45 – 17:00		<i>Coffee Break</i>
17:00 – 17:30	Agenda Item 10	Date and Venue of the Third Meeting of the Adaptation Fund Board

**Day 4, June 19, 2008**

15:00 – 15:30	Agenda Item 11	Adoption of the Report and Closure of the Meeting
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