



ADAPTATION FUND

AFB/B.20/2
25 March 2013

Adaptation Fund Board
Twentieth Meeting
Bonn, Germany, 4-5 April 2013

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

The meeting will be opened by the outgoing Chair of the Adaptation Fund Board, Mr. Luis Santos (Uruguay, GRULAC).

2. Transition of the Chair and the Vice-Chair

Document: none.

Background: The Board at its 19th meeting decided to appoint Mr. Hans Olav Ibrek (Norway, Western European and Others Group), as Chair and Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries) as Vice-Chair, for the period of office starting at the 20th meeting.

Action expected: The outgoing Chair will hand over the Board Chairmanship to the incoming Chair.

3. Organizational matters

a) *Adoption of the agenda*

Documents: AFB/B.20/1/Rev.1, Provisional agenda and AFB/B.20/2, Annotated provisional agenda.

Action expected: The Board will be invited to adopt the agenda of the meeting and to raise any other matters it may wish to discuss, to be included on the agenda under item 14.

b) *Organization of work*

Documents: AFB/B.20/1/Rev.1, Provisional agenda and AFB/B.20/2, Annotated provisional agenda.

Background: The Chair will propose to the Board the organization of work, in accordance with the Provisional timetable attached to document AFB/B.20/2.

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

4. Report on activities of the outgoing Chair

Document: None.

Background: The outgoing Chair of the Board, Mr. Luis Santos, will report on the activities carried out during the intersessional period.

Action expected: The Board will be invited to take note of the oral report.

5. Report on activities of the secretariat

Document: AFB/B.20/3 Report on the activities of the secretariat.

Background: The Manager of the secretariat will present the report contained in the above mentioned document.

Action expected: The Board will be invited to take note of the report.

6. Report of the Accreditation Panel

Document: AFB/B.20/4 Report of the Accreditation Panel.

Background: The Chair of the Accreditation Panel, Mr. Philip Weech (Bahamas, Group of Latin American and Caribbean Countries), will present the Panel's report to the Board. The report contains recommendations on the accreditation of implementing entities and other issues related to the accreditation process.

Action expected: The Board will be invited to consider and adopt the recommendations of the Panel.

7. Report of the eleventh meeting of the Project and Programme Review Committee (PPRC):

Document: the PPRC will issue its report after its eleventh meeting that will take place on 2-3 April 2013.

Background: The Chair of the PPRC, Ms. Laura Dzelzyte (Lithuania, Eastern Europe), will present the PPRC report to the Board. The report contains recommendations on:

- Issues identified during project and programme review;
- Project/programme pipeline;
- Project and programme proposals;

Action expected: The Board will be invited to consider and adopt the recommendations of the PPRC.

8. Report of the eleventh meeting of the Ethics and Finance Committee (EFC)

Document: the EFC will issue its report after its eleventh meeting that will take place on 2-3 April 2013.

Background: The Chair of the EFC, Ms. Medea Inashvili (Georgia, Eastern Europe), will present the EFC report to the Board. The report contains recommendations on the following issues considered by the EFC:

- Investigative procedure;
- Letter from World Bank controller (decision B.19/28);
- Legal support to the Board: current arrangements and conflict of interest;
- Analysis of project delays;
- Implementation of the code of conduct;
- Financial issues.

Action expected: The Board will be invited to consider and adopt the recommendations of the EFC.

9. Issues remaining from the 19th meeting:

a) *Strategic discussion on objectives and further steps of the Fund:*

Document: AFB/B.20/5, *Strategic prospects for the Adaptation Fund.*

Background: This agenda item was initially introduced to the Board agenda at the request of the former Board Chair, Ms. Ana Fornells de Frutos (Spain, Annex I Parties). At its 18th meeting the Board initiated a strategic discussion of further steps that could be undertaken to consolidate the Fund, particularly taking into account the review of the secretariat and trustee, and the emerging institutional processes under the UNFCCC, including the Standing Committee on Finance and the Green Climate Fund. The Board requested the secretariat to prepare a document summarizing the views expressed. The Board considered document AFB/B.19/5 at its 19th meeting and decided to establish a task-force of Board members that works in conjunction with the secretariat on outreach, strategy, and other efforts to achieve the interim US \$100 million fundraising target by the end of 2013, including some specific actions detailed in decision B.19/29. The Board also requested the Chair to submit a formal request to the UNFCCC secretariat for the Board to have its own seat at meetings

held by the United Nations Framework Convention on Climate Change, including those of its Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and the Adaptation Committee. Finally the Board requested the secretariat to update the document. Document AFB/B.20/5 responds to the Board request and is based on the points raised during the ensuing discussion at the 19th Board meeting.

Action expected: The Board will be invited to consider the issues raised in document AFB/B.20/5.

- b) *Issues arising from CMP 8: issues concerning the Doha amendment to the Kyoto Protocol, shares of proceeds of assigned amount units (AAUs) and emission reduction units (ERUs) for the Fund (decision 1/CMP.8, paragraph 21):*

Document: Decision 1/CMP.8, *Outcome of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol.*

Background: The Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its eight session (CMP8) decided that for the second commitment period, the Adaptation Fund shall be further augmented through a 2 per cent share of the proceeds levied on the first international transfers of AAUs and the issuance of ERUs for Article 6 projects immediately upon the conversion to ERUs of AAUs or RMUs previously held by Parties. The Board at its 18th meeting considered issues raised by the implementation of this decision, including possible amendments to the terms and conditions of the trustee to allow monetization of AAUs and ERUs. The UNFCCC secretariat will make a presentation on the implications of the decision for the Fund.

Action expected: The Board will be invited to consider the information provided by the UNFCCC secretariat.

- c) *International Aid Transparency Initiative (IATI).*

Document: AFB/B.20/6, *Requirements for the Fund to join the International Aid Transparency Initiative (IATI).*

Background: The Adaptation Fund was ranked 17th out of 72 financial institutions in the 2012 International Aid Transparency Index published by IATI. IATI has been in touch with the secretariat for several months during the preparation of the index and with regard to the possibility that the Fund joins IATI as a member. Representatives of the IATI secretariat and Publish What You Fund, the NGO that prepares the Aid Transparency Index, made a presentation to the Board at its 18th meeting. The Board decided to request the secretariat to prepare a report on what was required for the Adaptation Fund to join IATI for consideration by the Board at its 20th meeting

Action expected: Following consideration of the information presented by the secretariat in document AFB/B.20/6, the Board will be invited to make a decision about joining the initiative and instruct the secretariat accordingly.

10. Communications and outreach

Document: AFB/B.20/3 Report on the activities of the secretariat.

Background: The secretariat will report on its efforts related to the improvement of the Adaptation Fund website, dissemination of information through social media, and events planned during 2013.

Action expected: The Board will be invited to take note of the report and make any decisions as appropriate.

11. Financial issues:

a) Financial status of the Trust Fund and CER monetization

Document: AFB/EFC.11/4, Adaptation Fund Trust Fund: financial report prepared by the trustee (as at 31 December 2013).

Background: The trustee will report on the financial status of the trust funds and the programme on CER monetization to the Board.

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

b) Status of the project/programme pipeline

Documents: AFB/EFC.11/Inf.1, Secretariat's and trustee's joint report on the status of the pipeline. In presenting the PPRC report to the Board the PPRC Chair will provide an updated report on the status of the pipeline based on the recommendations agreed by the PPRC.

Background: The Board at its 17th meeting decided to establish a pipeline of fully developed projects/programmes implemented by Multilateral Implementing Entities (MIE) recommended by the PPRC exceeding the 50 per cent cap for MIEs and established the criteria for prioritizing them in the pipeline¹. Further, at its 18th

¹The Board decided to:

- (a) Maintain the 50 per cent cap on the funding of project/programmes implemented by MIEs established by decision B.12/9, and exclude project/programme concepts from the 50 per cent calculation;
- (b) Establish a pipeline of fully developed projects/programmes that have been recommended by the PPRC for approval by the Board, but exceeding the 50 per cent cap;
- (c) Prioritize the projects/programmes in the pipeline by sequentially applying the following criteria:
 - (i) Their date of recommendation by the PPRC;
 - (ii) Their submission date; and
 - (iii) The lower "net" cost.
- (d) Consider fully developed projects/programmes in the pipeline for approval, subject to availability of resources and respecting the 50 per cent cap; and
- (e) Request that the EFC consider at its 9th meeting the suspension of project/programme submissions as the last measure and elaborate on a clear threshold that indicates when the measure should be applied (e.g. 60 per cent excess of the cap).

(Decision B.17/19)

meeting the Board decided to request the secretariat and trustee to provide a consolidated report on the status of the pipeline at every EFC meeting. On the basis of the report and the recommendation of the EFC the Board decided to consider appropriate measures to implement the cap, including through the suspension of MIE project/programme submission as appropriate². Only after the PPRC has agreed on its recommendations there will be information about the project/programme in the pipeline.

Action expected: The Board will be invited to consider the status of the pipeline and appropriate measures to implement the 50 per cent cap on projects/programmes implemented by MIE, including the suspension of MIE project/programme submissions.

12. Date and venue of meetings in 2013

Background: The secretariat will propose dates and venues for the remaining meetings in 2013.

Action expected: The Board will be invited to approve the secretariat's proposal.

13. Dialogue with civil society organizations

Document: AFB/B.20/Inf.5, *Provisional agenda of the civil society dialogue at the 20th Board meeting.*

The Board will hold another session of its ongoing dialogue with civil society organizations on 10 December 2012.

Action expected: the Board will take note of the conclusions of the dialogue.

14. Other matters.

Action expected: The Board will be invited to discuss any other matters raised during the adoption of the agenda.

15. Adoption of the report

Action expected: The Board will be invited to adopt the report of its 19th meeting.

16. Closure of the meeting.

²Decision B.18/28.

PROVISIONAL TIMETABLE

[Day 1] 4 April 2013

Morning Session

9:00 – 9:15	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
	4	Report of the outgoing Chair
9:15 – 9:30	5	Report of the secretariat
9:30 – 10:15	6	Report of the Accreditation Panel

10:15 – 10:30 Coffee break

10:30 – 11:15	7	Report of the PPRC
11:15 – 12:00	8	Report of the EFC

Afternoon Session

14:00 – 14:45	9.a)	Strategic discussion on further steps
14:45 – 15:45	9.c)	International Aid Transparency Initiative (IATI)

15:45 – 16:00 Coffee break

16:00 – 16:30	14	Other matters
16:30 – 18:30	13	Dialogue with civil society organizations

[Day 2] 5 April 2013*Morning Session*

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| 9:00 – 9:30 | 10 | Communications |
| 9:30 – 9:45 | 12 | Dates and venues of AFB 21 and 22 |
| 9:45 – 10:15 | 9.b) | Issues concerning decision 1/CMP.8 (shares of proceeds) |

10:15 – 10:30 Coffee break

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| 10:30 – 11:00 | 11.a) | Financial status of the trust fund and CER monetization |
| 11:00 – 11:30 | 11.b) | Status of the pipeline |

Afternoon Session

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| 14:00 – 15:00 | 15-16 | Adoption of the report and Closure of the meeting |
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15:00 – 15:15 Coffee break