



ADAPTATION FUND

AFB/B.24/2
2 October 2014

Adaptation Fund Board
Twenty-fourth Meeting
Bonn, Germany, 9-10 October 2014

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

The meeting will be opened by the Chair of the Adaptation Fund Board, Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries).

2. Organizational matters

a) *Adoption of the agenda*

Documents: AFB/B.24/1, Provisional agenda and AFB/B.24/2, 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 15.

b) *Organization of work*

Documents: AFB/B.24/1, Provisional agenda and AFB/B.24/2, 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.24/2.

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

3. Report on activities of the Chair

Document: None.

Background: The Chair of the Board, Mr. Mamadou Honadia, 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.

4. Report on activities of the secretariat

Document: AFB/B.24/3 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

5. Report of the Accreditation Panel

Document: AFB/B.24/4 Report of the Accreditation Panel.

Background: The Chair of the Accreditation Panel, Ms. Angela Churie-Kallhaug (Sweden, Annex I Parties), will present the Panel's report to the Board. The report contains recommendations on issues related to the accreditation process.

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

6. Report of the fifteenth meeting of the Project and Programme Review Committee (PPRC)

Document: the PPRC will issue its report after its fifteenth meeting, which will take place on 7-8 October 2014.

Background: The Chair of the PPRC, Mr. Ezzat Lewis Hannalla Agaiby (Egypt, African States), will present the PPRC report to the Board. The report contains recommendations on one or more of the following items:

- a) Issues identified during project/programme review;
- b) Project/programme pipeline;
- c) Project/programme proposals;
- d) Intersessional review and approval of project/programme proposal.

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

7. Report of the fifteenth meeting of the Ethics and Finance Committee (EFC)

Document: the EFC will issue its report after its fifteenth meeting, which will take place on 7-8 October 2014

Background: The Vice-Chair of the EFC, Ms. Irina Pineda Aguilar (Honduras, Group of Latin American and Caribbean Countries), will present the EFC report to the Board. The report contains recommendations on the following issues considered by the EFC:

- a) Modified accreditation process for small entities;
- b) Annual Performance Report for the fiscal year 2014;
- c) Portfolio monitoring: report of the mission to Jamaica;
- d) Designation of Multilateral and Regional Implementing Entities;
- e) Zero-tolerance policy for corruption;
- f) Risk management framework;
- g) Complaint handling mechanism;
- h) Implementation of the code of conduct;
- i) Financial issues.

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

8. Issues remaining from the twenty-third meeting:

- a) *Strategic discussion on objectives and further steps of the Fund. Report of the fundraising task force*

Document: Draft fundraising update (confidential).

Background: The Board at its nineteenth meeting decided to establish a task-force of Board members that worked 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. At its twenty-third meeting the Board decided to extend the mandate of the task force and its Coordinator, and set up a new fundraising target for 2014 and 2015 of US\$ 80 million for each year. The task force Coordinator, Mr. Zaheer Fakir (South Africa, African States) will report on the activities undertaken by the task force during the intersessional period; in particular, on the planned fundraising efforts.

Action expected: The Board will be invited to consider the report of the task force for approval.

b) Implementation of the readiness programme

Document: AFB/B.24/3 Report on the activities of the secretariat.

Background: The secretariat will report on the activities undertaken to implement the readiness programme to support readiness for direct access to climate finance for national and regional implementing entities. The secretariat will also present plans for further activities to be implemented in 2015 and budget estimates for such activities.

Action expected: the Board will be invited to take note of the report of the secretariat and consider for approval the proposal of activities for 2015, including the budget estimates, contained in document AFB/B.24/3 presented by the secretariat.

c) Second review of the Fund

Documents: Decision 1/CMP.9, Report of the Adaptation Fund Board; Annex of decision 2/CMP.9; Terms of reference for the second review of the Adaptation Fund; document FCCC/SBI/2014/L.17, Second review of the Adaptation Fund, Draft conclusions proposed by the co-facilitators; and submissions from Parties and observer organizations to the SBI on the second review.

Background; The second review of the Fund will be completed by the Subsidiary Body on Implementation (SBI) at its 41st session, with a view to recommending a draft decision to the CMP 10 (Lima, December 2014). The CMP.9 approved the two decisions mentioned above, including the following actions relevant to the Board:

Decision 1/CMP.9, Report of the Adaptation Fund Board

- *Invites* the Adaptation Fund Board to provide, in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014), its views on the matters included in the terms of reference for the second review of the Adaptation Fund annexed to decision 2/CMP.9, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fortieth session (June 2014);

Annex of decision 2/CMP.9, Terms of reference for the second review of the Adaptation Fund

- The scope of the second review of the Adaptation Fund will cover the progress made to date and lessons learned in the operationalization and implementation of the Fund, and will focus on, inter alia:
 - (a) The provision of sustainable, predictable and adequate financial resources, including the potential diversification of revenue streams, to fund

concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of eligible Parties;

(b) Lessons learned from the application of the access modalities of the Adaptation Fund;

(c) The institutional linkages and relations, as appropriate, between the Adaptation Fund and other institutions, in particular institutions under the Convention;

(d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

The Board at its 23rd meeting considered these decisions by the CMP and decided to request its members to send to the secretariat by 30 June 2014 its views on the terms of reference of the second review of the Adaptation Fund, as contained in the annex to decision 2/CMP.9 so that they can be compiled for discussion at the twenty-fourth Board meeting. The outcome of the discussion will be included in the report of the Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its tenth session (CMP.10). As of the date of issuance of this document, no submissions had been received by the secretariat.

Document FCCC/SBI/2014/L.17, Second review of the Adaptation Fund, Draft conclusions proposed by the co-facilitators:

- Extended deadline for submissions until 22 September 2014.

Submissions from Parties are available at:
<http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=SBI>

Submissions from observer organizations are available at:
http://unfccc.int/documentation/submissions_from_observers/items/7481.php

Action expected: The Board will be invited to consider the terms of reference of the second review of the Fund and the submissions from Parties and observer organizations with a view to providing inputs to SBI 41 on the second review of the Fund following decision 1/CMP.9.

9. Communications and outreach

Document: AFB/B.24/3, 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 organized.

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

10. Financial issues:

a) Financial status of the Trust Fund and CER monetization

Documents: AFB/EFC.15/6, Adaptation Fund Trust Fund: financial report prepared by the trustee (as at 30 June 2014); AFB/B.24/Inf.4, Trustee Presentation: Update on Status of Resources and CER monetization.

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/B.24/5, Options for funding the project/programmes in the pipeline and AFB/EFC.15/Inf.1, Joint report by the secretariat and the trustee 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 seventeenth 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 eighteenth 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 appropriate (Decision B.18/28). In addition, the Board at its twenty-second meeting decided to continue deliberations at its twenty-third meeting on the implications of a number of options to fund the pipeline based on a document prepared by the

¹ The 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)

secretariat, including inputs provided by Board members and alternates during the intersessional period (Decision B.22/25). Document AFB/B.23/6 outlining options intended to help the Board in its discussion on how to fund the pipeline and subsequently make a decision on this matter was presented to the Board at its twenty-third meeting. Following discussion, the Board agreed to defer further consideration of the matter until its twenty-fourth meeting. The document is therefore re-submitted as document AFB/B.24/5.

Action expected: The Board will be invited to consider the status of the pipeline, including any options to fund it.

11. Issues related to regional projects/programmes

Document: AFB/B.24/Inf.6

Background: The Board at its twenty first meeting discussed matters relating to funding regional projects/programmes, including in relation to the country cap. It decided to continue considering these matters and requested the working group set up by decision B.17/20 to report back to the Board at its twenty fourth meeting on the progress of its discussion (decision B.21/13). The working group coordinator, Ms. Ana Fornells de Frutos (Spain, Annex I Parties) will present the report of the working group to the Board.

Action expected: The Board will be invited to consider the report of the working group.

12. Dialogue with civil society organizations

Document: AFB/B.24/Inf.5, *Agenda of the civil society dialogue*.

The Board will hold another session of its ongoing dialogue with civil society organizations on 9 October 2014.

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

13. Election of the Board, PPRC, EFC and Accreditation Panel Chairs and Vice-Chairs

Document: none.

Background: The annual terms of office of the Board, PPRC, and EFC Chairs and Vice-Chairs expire right before the twenty-third Board meeting. Annex I and non-Annex I Parties alternate annually in the chairmanship and vice-chairmanship of the Board and its committees. The Board members that are members of the Accreditation Panel are elected for a two-year term and are eligible for another term. The non-Annex I member of the Accreditation Panel is finalizing his first term and is eligible for another two year term. The Annex I member of the Accreditation Panel is finalizing the first year of her second term and can continue for another year. A representative of the UNFCCC secretariat will brief the Board members on upcoming elections of Board members and alternates at CMP9.

Action expected: The Board will be invited to elect:

- An Annex I member as Board Chair
- A non-Annex I member as Board Vice-Chair
- An Annex I member or alternate as PPRC Chair
- A non-Annex I member or alternate as PPRC Vice-Chair
- A non-Annex I member or alternate as EFC Chair
- An Annex I member or alternate as EFC Vice-Chair
- A non-Annex I member or alternate as Accreditation Panel Chair

14. Date and venue of meetings in 2015

Background: The secretariat will propose dates and venues for the meetings to be held in 2015.

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

15. Other matters

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

16. Adoption of the report

Action expected: The Board will be invited to adopt the decisions approved at its 24th meeting. The report of the meeting will be finalized by the Chair with assistance of the secretariat and adopted during the intersessional period.

17. Closure of the meeting.

PROVISIONAL TIMETABLE**Day 1: 9 October 2014***Morning Session*

9:00 – 9:30 1 Opening of the meeting

 2.a) Adoption of the agenda

 2.b) Organization of work

9:30 – 9:45 3 Report of the Chair

9:45 – 10:00 4 Report of the secretariat

10:00 – 10:30 8.b) Readiness programme

10:30 – 10:45 Coffee break

10:45 – 11:15 5 Report of the Accreditation Panel

11:15 – 11:45 6 Report of the PPRC

11:45 – 12:15 7 Report of the EFC

Afternoon Session

14:00 – 15:30 12 CSO dialogue

15:30 – 16:00 8.c) Second review of the Fund

16:00 – 16:15 Coffee break

16:15 – 16:45 10.a) Financial status of the trust fund and CER monetization

16:45 – 17:00 10.b) Status of the pipeline

Day 2: 10 October 2014*Morning Session*

9:00 – 9:30 8.a) Report of the fundraising task force

9:30 – 9:45 9 Communications

9:45 – 10:15 11 Regional projects/programmes

10:15 – 10:30 Coffee break

10:30 – 11:00 14 Date and venue of meetings in 2015

11:00 – 11:15 13 Election of officers for 2015

Afternoon Session

14:00 – 15:00 15 Other matters

16:00 – 17:00 16 Adoption of the decisions

17 Closure of the meeting