



ADAPTATION FUND

AFB/EFC.11/7
25 March 2013

Ethics and Finance Committee
Eleventh Meeting
Bonn, Germany, 2-3 April 2013

Agenda item 9 d)

WORK PLAN FOR FISCAL YEAR 2014

Background

1. At its 18th meeting the Adaptation Fund Board (the Board) approved the work plan for the fiscal year 2013 (FY13: July 1, 2012 – June 30, 2013). The present document summarizes the actions and decisions taken by the Board in the period 15 December, 2012 – 1 April, 2013 (the reporting period) in compliance with the approved work plan for FY13. During the period covered, the Board convened once, for its 19th meeting, which took place on December 11-14, 2012. This document presents a proposed work plan for FY14, 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 third Board meeting in the current fiscal year, which normally takes place in June. Due to the schedule conflict with the UNFCCC meeting in June, the next Board meeting has been scheduled on 1-4 July 2013 (in FY14). The proposed work plan for FY14 is therefore being presented for Board approval at the Board's 20th meeting to be held on 4-5 April 2013.

Compliance with work plan for FY13

3. During FY13 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 additional 3 National Implementing Entities (NIEs), thereby extending the opportunity to access resources through the direct access modality to a total of 15 countries to date.
- The Board has approved 2 projects/programmes for funding for a total amount of US\$ 12.3 million. The total amount of funds disbursed during the reporting period is US\$ 20.5 million. Additionally, the Board has endorsed one project concept. It is worth mentioning that at the 19th meeting, the Board established for the first time a pipeline of projects and programmes, following Decision B.17/19. Four projects were put into the pipeline, with a total requested amount of US\$ 25.5 million.
- In its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session (CMP8), the Board made available its views on the report on the review of the interim arrangements of the Fund by 13 August 2012, in addition to those submitted in document FCCC/SBI/2012/INF.2.”¹ The CMP8 concluded its 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

¹ Conclusions approved by SBI 36, paragraph 7.

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.”²

- The CER monetization programme continued being implemented by the trustee. The cumulative proceeds of the programme amount to US\$ 187.99 million as of 31 December 2012.³

4. The following actions derived from Board decisions and included in the work plan for FY13 were also implemented during the reporting period:

- Partnership with the United Nations Foundation (UNF): On 7 November 2012, the Board and UNF concluded a framework agreement with regard to cooperation on fundraising activities. Under the agreement, UNF manages on-line individual donations to the Fund and promotes its public outreach efforts where it is mutually beneficial to both organizations. Through this system, the Fund raised US\$1,083.15 during the period of November to December 2012.
- Fundraising activities through the secretariat: The secretariat participated in a series of dialogue sessions with donors in the margins of the 36th session of the Subsidiary Bodies and CMP8, and followed up through the launch of the on-line individual donation system in November 2012. It also started discussions with the Rockefeller Foundation in February 2013 for potential cooperation on fundraising and began planning for a webinar in early spring and a potential program involving Oxfam.
- Options for fundraising campaign and strategy: The Board at its 19th Meeting established a task force of Board members that works in conjunction with the secretariat on outreach, strategy, and other efforts to achieve the interim fundraising target of US\$ 100 million by the end of 2013. As the first ministerial outreach activity since then, the Swedish Government will host an event on 22 May, 2013 in Washington DC to showcase the experience of the Fund in direct access, tracking of results, transparency, and project implementation as well as raising awareness on adaptation issues in general.
- Investigative procedure: Concerning the proposals from the secretariat on how to trigger a review or an investigation, including procedures to address potential cases of financial mismanagement, the World Bank legal counsel made an intervention at the 19th meeting of the Board and conveying to the Board that an investigative function was not consistent with the function of the secretariat as had been established and agreed with the Bank. The Board requested that the World Bank legal counsel provide a proposal to

² Decision 4/CMP8.

³ Adaptation Fund Trust financial report prepared by the trustee as of December 31, 2012. http://fiftrustee.worldbank.org/webroot/data/AF_TR_12_12.pdf .

the secretariat on options for implementing an Investigative Procedure, to be presented to the EFC.

- Establishment of a project pipeline: The Board at its 19th meeting decided to define the submission date referred to in paragraph (b) of Decision B.17/19 as the date of the submission of the fully-developed project/programme document to the particular meeting in which it was recommended for approval by the Project and Programme Review Committee. So far, four fully-developed projects (Guatemala, Cuba, Seychelles and Myanmar) have been placed in the pipeline and will be prioritized in that order for funding, subject to the availability of funds.
- Overall evaluation of the Adaptation Fund: The Board decided to conduct an overall evaluation of the Fund and discuss the date of such evaluation at the 7th meeting of the EFC.⁴ At that time no projects/programmes had been completed and the discussion was postponed. The EFC may want to consider whether to establish a date for this evaluation taking into account that the first project/programme is likely to be completed during FY14. The independent final evaluation of this project/programme will be conducted during FY14, regardless of the overall evaluation of the Fund.
- Learning mission to Senegal: According to Decision B.17/16(d), two representatives of the secretariat conducted a learning mission to Senegal in November 2012 to collect lessons from the direct access experience in Senegal; to understand how key project review criteria had been applied during project implementation; and to gain methodological experience for future learning missions. The secretariat presented a report of observations and findings of the mission at the 19th meeting of the Board and was requested to incorporate the lessons learned in any subsequent document prepared on the direct access modality; as well as send a letter to the Designated Authority in Senegal outlining the concerns of the Board on the sustainability of some of the project outcomes.
- Supervision of the Board Committees and the Accreditation Panel: The Board appointed two new expert members to the Accreditation Panel (Decision B.18-19/15) and amended Terms of Reference for the establishment of the Adaptation Fund Board Accreditation Panel to reflect the increase in membership of the Panel (Decision B.18-19/16).
- Revision of the “Instructions for Preparing a Request for Project Funding”: Through Decisions B.18/26 and B.18/30, the Board requested the secretariat to revise the “Instructions for Preparing a Request for Project Funding” to include decisions made by the Board, related to (i) the exceptional nature of Execution services being provided by Implementing Entities and (ii) to include complementary communications activities such as media outreach and dissemination within the Knowledge Management component. This was done and the revised “Instructions” document was submitted at the 10th PPRC meeting as an Inf. Document (AFB/PPRC.10/Inf.1).

⁴ Decision B.13/20, paragraph (d).

- Other routine activities by the Board include the presentation of the Board report to CMP 8 and the consideration of the budget and work plan for the FY14, the latter on the agenda of this meeting.

Proposal of work plan for FY14

5. At each session of the CMP the Board is requested to report on its activities (decision 1/CMP.3, paragraph 5 (l)).

6. In addition to the actions mandated by the CMP, the Board has decided to carry out the following:

- Undertake fundraising activities through the task force of Board members⁵ and the Manager of the secretariat.⁶
- Consider options for a fundraising campaign and strategy.⁷ A list of options for a fundraising campaign and strategy was presented at the 8th meeting of the EFC and is still under consideration;
- Consider a proposal of investigative procedures to address potential cases of misuse of resources by implementing entities.⁸ A new legal option developed by the World Bank legal counsel is under consideration by the EFC at this meeting;
- Conduct an overall evaluation of the Fund.⁹ The date of such evaluation has yet to be decided by the Board;
- Conduct four learning missions to a combination of projects/programmes implemented by NIEs and MIEs. The missions will be taken to projects/programmes that have been under implementation for at least one year, current options include: Agencia Nacional de Investigacion e Innovacion (ANII) in Uruguay, Planning Institute of Jamaica (PIOJ) in Jamaica, United Nations Development Programme (UNDP) in Honduras and Nicaragua.

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.¹⁰

⁵ Decision B.19/29

⁶ Decision B.16/24.

⁷ Decision B.16/24.

⁸ Decision B.16/22.

⁹ Decision B.13/20, paragraph (d).

8. The Board shall consider cost-cutting options in light of the Fund's fiscal constraints. The secretariat will estimate the workflow for fiscal year 2014 with a view to identifying potential cost reductions.¹¹

9. Lastly, the Board has decided to:

- Keep the operational policies and guidelines under review and amend them as deemed necessary.

10. These activities will be implemented during FY14 in accordance with the proposed work plan.

11. 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.

Recommendation

12. The EFC may wish to consider and recommend to the Board for approval:

- (a) The draft work plan for FY14 and the tentative work schedule, as contained in document AFB/EFC.11/7;
- (b) The date of an overall evaluation of the Fund during FY14.

¹⁰ Report of the 10th meeting of the Adaptation Fund Board, Annex IV, paragraph 24.
¹¹ Decision B.19/26

DRAFT WORK PLAN FY14: TENTATIVE WORK SCHEDULE**21th meeting: July 2013**

- Consideration of draft terms of reference for conducting learning missions to projects/programmes in the active portfolio (potential projects from NIEs include Jamaica and Uruguay from UNDP include Honduras and Nicaragua);
- Consideration of a report by the secretariat on presentations to foundations and philanthropic organizations in order to fundraise with them;
- Consideration of thirteenth report of the Accreditation Panel

22st meeting: October 2013

- If available, consideration of the programme completion report of the CSE programme in Senegal;
- Consideration of the Annual Performance Report: FY 2013.
- Consideration of the fourteenth report from Accreditation Panel

23rd meeting: March 2014

- Consideration of the fifteenth report from Accreditation Panel
- Report of the learning mission to the programme in Jamaica (PIOJ)
- Report of the learning mission to the project in Honduras (UNDP)

24th meeting: June 2014

- Proposal of budget FY14;
- Proposal of work plan FY14.
- Consideration of the sixteenth report from Accreditation Panel
- Report of the learning mission to the project in Uruguay (ANII)
- Report of the learning mission to the Project in Nicaragua (UNDP)