



ADAPTATION FUND

AFB/B.25/2
31 March 2015

Adaptation Fund Board
Twenty-fifth Meeting
Bonn, Germany, 9-10 April 2015

Agenda item 3.

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting.

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

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

Document: none.

Background: The Board, during the intersessional period between the twenty-fourth and twenty-fifth meetings, decided to appoint Mr. Hans Olav Ibrekk (Norway, Western European and Other States), as Chair for the period of office starting at the twenty-fifth 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.25/1, Provisional agenda and AFB/B.25/2, 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 16.

b) *Organization of work:*

Background: The Chair will propose to the Board the organization of work, in accordance with the Provisional timetable attached to document AFB/B.25/2.

4. Report on activities of the outgoing Chair

Document: None.

Background: The outgoing 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 report.

5. Report on activities of the secretariat.

Document: AFB/B.25/3 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.25/4 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 sixteenth meeting of the Project and Programme Review Committee (PPRC)

Document: the PPRC will issue its report after its sixteenth meeting, which will take place on 7-8 April 2015.

Background: The Chair of the PPRC, Ms. Yuka Greiler (Switzerland, Western European and Other States), will present the PPRC report to the Board. The report contains recommendations on:

- a) Issues identified during project/programme review;
- b) Project/programme pipeline;
- c) Project/programme proposals;
- d) Improving the tracking of changes made between different versions of project/programme proposals.

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

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

Document: the EFC will issue its report after its fourteenth meeting, which will take place on 7-8 April 2015

Background: The 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) Evaluation of the Fund.
- c) Complaint handling mechanism;
- d) Implementation of the code of conduct;
- e) Financial issues.

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

9. Issues remaining from the twenty-fourth meeting

- a) *Strategic discussion on objectives and further steps of the Fund. Potential linkages between the Fund and the Green Climate Fund*

Document: AFB/B.25/Inf.6, *Potential linkages between the Fund and the Green Climate Fund*.

Background: At its twenty-fourth meeting, the Board decided to request the secretariat to prepare a document containing elements on potential linkages with the Green Climate Fund (GCF) for consideration by the Board during the intersessional period. The secretariat prepared document AFB.B.24-25/1, Potential linkages between the Fund and the Green Climate Fund, and circulated it among Board members. Following intersessional consideration of the document, the Board decided to request the secretariat

to: (a) Further assess: (i) The potential for the Adaptation Fund to apply as a financial intermediary of the Green Climate Fund; and (ii) The feasibility of entering into some form of memorandum of understanding or legal agreement under which the Fund could programme GCF funds; and (b) Present its conclusions to the 25th Board meeting (decision B.24-25/9). The secretariat will present its findings to the Board.

Action expected: The Board will be invited to consider the presentation by the secretariat and to make a decision on a course of action for potential linkages with the GCF.

b) Implementation of the readiness programme:

Document: AFB/B.25/5, Readiness programme: Phase I progress report and phase II proposal.

Background: The Board at its twenty-second meeting approved Phase I of the Readiness Programme as detailed in document AFB/B.22/6. The specific objectives of the programme are to increase the number of accredited national implementing entities (NIEs) and the number of quality projects proposed and implemented by NIEs and regional implementing entities (RIEs). With the approval of a new environmental and social policy in November 2013, the programme also provides an opportunity for entities to gain familiarity with the policy and build capacity in managing and addressing environmental and social risks in project design and implementation. Document AFB/B.25/5 presents a brief progress report on the activities of the programme through the end of March 2015. The second part of the document outlines a proposal for Phase II of the Readiness Programme for the fiscal year 2016 (July 1, 2015- June 30, 2016), including budget estimates contained in table 2.

Action expected: the Board will be invited to take note of the progress report of phase I of the readiness programme and to consider approval of its phase II for the fiscal year 2016, including the budget estimates, contained in document AFB/B.25/x.

c) Issues related to regional projects/programmes

Document: AFB/B.25/6, Issues related to Regional Projects/Programmes.

Background: The Board at its twenty-fourth meeting decided to initiate steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million. The Board also decided that the pilot programme will be outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap, and that regional implementing entities (RIEs) and MIEs that partner with national implementing entities (NIEs) or other national institutions would be eligible for this pilot programme. The Board further requested the secretariat to prepare for the consideration of the Board, before the twenty-fifth meeting of the Board or intersessionally, under the guidance of the working group set up under decision B.17/20, a proposal for such a pilot programme based on consultations with contributors, MIEs, RIEs, the Adaptation Committee, the Climate Technology Centre and Network (CTCN), the Least Developed Countries Expert Group (LEG), and other relevant bodies, as appropriate, and in that proposal make a

recommendation on possible options on approaches, procedures and priority areas for the implementation of the pilot programme. The secretariat has conducted such consultations, and through them received ample inputs related to regional adaptation projects. The document AFB/B.25/6 draws on those consultations and inputs, and presents a proposal for a pilot programme for regional projects and programmes.

Action expected: The Board will be invited to consider the document AFB/B.25/6 and the presentation by the secretariat and to make a decision on the proposal for a pilot programme for regional projects and programmes.

10. Issues arising from the twentieth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 20) and the tenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 10)

Documents: Decisions 1/CMP.10, *Report of the Adaptation Fund Board*, and 2/CMP.10, *Second review of the Adaptation Fund Board*.¹

Background: CMP 10 considered the report of the Board and concluded the second review of the Fund. The ensuing decisions adopted by the CMP contain a number of requests and other actions for consideration by the Board to consider; in particular:

- *Requests* the Adaptation Fund Board, in its future reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to provide further clarity on the effect of the fluctuation of the price of certified emission reductions and the impact of this fluctuation on the resources available to the Fund;
- *Also requests* the Adaptation Fund Board to continue its work on options for permanent institutional arrangements for the secretariat and the trustee, including via an open and competitive bidding process for the selection of a permanent trustee for the Adaptation Fund on the basis of the cost and time frame of each option and its legal and financial implications in order to ensure there is no discontinuity of the trustee service.
- *Encourages* the Adaptation Fund Board to consider the following options for addressing the predictability of resources, in particular:
 - (a) The scale of resources;
 - (b) Regular estimates of the resources needed;
 - (c) Continuous review of the status of projects;
- *Requests* the Adaptation Fund Board to consider options, including those contained in the technical paper referred to in paragraph 1 above, for addressing the diversification of revenue streams of the Adaptation Fund, in accordance with the mandate of the Fund;
- *Also requests* the Adaptation Fund Board to consider, under its readiness programme, the following options for enhancing the access modalities of the Adaptation Fund:

¹ Available at <http://unfccc.int/resource/docs/2014/cmp10/eng/09a01.pdf#page=2>

- (a) Targeted institutional strengthening strategies to assist developing countries, in particular the least developed countries, to accredit more national or regional implementing entities to the Adaptation Fund;
- (b) Ensuring that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-sized projects and programmes;
- *Further requests* the Adaptation Fund Board to consider options for developing operational linkages, as appropriate, between the Adaptation Fund and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies;
 - *Takes note* of decision 6/CP.20 concerning the request of the Conference of the Parties to the Standing Committee on Finance to consider issues related to possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention;
 - *Decides* to extend to June 2017 the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund, with a view to further consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol of options for permanent institutional arrangements for the secretariat and trustee, including via an open and competitive bidding process and on the basis of the cost and time frame of each option and its legal and financial implications;
 - *Requests* the Subsidiary Body for Implementation, at its forty-fourth session (May 2016), to initiate the third review of the Adaptation Fund, in accordance with the terms of reference contained in the annex to decision 2/CMP.9, or as they 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 twelfth session (November–December 2016), 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 thirteenth session (November–December 2017);
 - *Also requests* the Adaptation Fund Board to include in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eleventh session (November–December 2015) information on the progress made in relation to the matters referred to in paragraphs 3–6 above.

Action expected: The Board will be invited to consider the decisions made by CMP 10 and to make any decisions necessary to fulfill the mandates by the CMP.

11. Communications and outreach.

Document: AFB/B.25/3, *Report on the activities of the secretariat.*

Background: The secretariat will report on its efforts related to the launching of the new 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

12. Financial issues

a) *Financial status of the Trust Fund 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.23/6, *Options for funding the projects/programmes in the pipeline* and AFB/EFC.14/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 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 pipeline². Currently the funds available in the trust fund are enough to fund all the projects/programmes in the pipeline.

Action expected: The Board will be invited to consider the status of the pipeline, and take note of the report.

13. Dialogue with UNFCCC Executive Secretary, Ms. Christiana Figueres

Document: None

Background: Ms. Christiana Figueres, Executive Secretary, UNFCCC will address the Board meeting on current developments in the climate finance architecture under the Convention in the run up to COP21/CMP11 in Paris and beyond.

² 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)

Action expected: The Board will be invited to engage in a dialogue with UNFCCC Executive Secretary.

14. Dialogue with civil society organizations

Document: AFB/B.25/Inf.5, *Provisional agenda of the civil society dialogue.*

Background: The Board will hold another session of its ongoing dialogue with civil society organizations.

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

15. Date and venue of meetings in 2015 and onwards

Background: The secretariat will confirm the dates and venues for the twenty-six meeting and meetings in 2016.

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

16. Other matters

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

17. Adoption of the report

Action expected: The Board will be invited to adopt the report of its twenty-third meeting.

18. Closure of the meeting.

PROVISIONAL TIMETABLE**Day 1: 9 April 2015***Morning Session*

9:00 – 9:30	1	Opening of the meeting
	2	Transition of the Chair and Vice-Chair
	3 a)	Adoption of the agenda
	3 b)	Organization of work
9:30 – 9:45	4	Report of the Outgoing Chair
9:45 – 10:00	5	Report of the secretariat
10:00 – 10:30	6	Report of the Accreditation Panel
10:30 – 10:45		Coffee break
10:45 – 11:15	7	Report of the PPRC
11:15 – 12:00	8	Report of the EFC
12:00 – 12:30	9 b)	Readiness programme
<i>Afternoon Session</i>		
14:00 – 14:45	13	Dialogue with UNFCCC Executive Secretary
14:45 – 15:45	14	CSO dialogue
15:45 – 16:00		Coffee break
16:00 – 17:00	9 a)	Potential linkages with GCF

Day 2: 10 April 2015*Morning Session*

9:00 – 9:30	11	Communications
9:30 – 10:00	10	COP20/CMP10 issues
10:00 – 10:30	12 a)	Status of the trust fund and CER monetization
	12 b)	Status of the pipeline

10:30 – 11:00 Coffee break

11:00 – 11:30 15 Date and venue of AFB 26

11:30 – 12:00 16 Other matters

Afternoon Session

14:30 – 16:30 17 Adoption of the report

 18 Closure of the meeting