



ADAPTATION FUND

AFB/EFC.17/2
14 September 2015

Ethics and Finance Committee
Seventeenth Meeting
Bonn, Germany, 6-7 October 2015

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

The meeting will be opened by the Chair of the Ethics and Finance Committee (EFC), Ms. Irina Helena Pineda Aguilar (Group of Latin American and Caribbean Countries).

2. Organizational matters

a) Adoption of the agenda:

Documents: AFB/EFC.17/1/Rev.1, Provisional agenda and AFB/EFC.17/2, Annotated provisional agenda.

Action expected: The EFC will be invited to adopt the agenda for the meeting and to raise any other matters it may wish to discuss. These other matters will be included on the agenda under item 10.

b) Organization of work:

Documents: AFB/EFC.17/1/Rev.1, Provisional agenda and AFB/EFC.17/2, Annotated provisional agenda.

Background: The Chair will propose to the EFC the organization of work as suggested in the attached provisional timetable.

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

3. Evaluation of the Fund

Document: AFB/EFC.17/3, Evaluation of the Fund (stage I).

Background: The draft evaluation will be presented to the EFC by the evaluators (TANGO Int.) and a representative of the Independent review Panel.

Action expected: The EFC will be invited to consider the evaluation and to ask any questions deemed appropriate. In due course, the EFC may advise the Board on a management response to the evaluation.

4. Effectiveness and efficiency of the accreditation process

Document: AFB/EFC.17/4, Effectiveness and efficiency of the accreditation process: proposed modifications.

Background: At its 25th meeting the Board requested the secretariat, in collaboration with the Accreditation Panel, to develop a proposal to enhance the efficiency and effectiveness of the Fund's accreditation process. The proposal should integrate any relevant recommendations or observations from the Fund's overall evaluation (Decision B.25/5). The Panel continued its discussion on this matter at its 19th and 20th meetings, held respectively on 13–14 May 2015 and on 6–7 August 2015, with the aim of formulating proposals on this matter. Document AFB/EFC.17/4 contains an overview of some of the proposals currently being discussed by the Panel and secretariat, which will be further developed at the 21st meeting of the Panel in January 2016, including in light with the final conclusions of the evaluation of the Fund.

Action expected: The EFC will be invited to consider the information contained in document AFB/EFC.17/4.

5. Gender-related policies and procedures of the Fund

Document: AFB/EFC.17/5, Compilation and analysis of gender-related policies and procedures of the Fund.

Background: At its 25th meeting, the Board discussed the possibility of having a separate gender policy for the Fund. The issue was brought up prior in the Ethic and Finance Committee (EFC), at the request of the EFC Vice-Chair. Some EFC members felt that such a separate policy was needed while others were of the view that the inclusion of gender equity as a principle under the Fund's environmental and social policy sufficed. Having considered the comments and recommendations of the EFC, the Board decided to "request the secretariat to prepare a compilation and analysis of any of the Fund's gender-related policies and procedures in order to inform the seventeenth meeting of the EFC." Document AFB/EFC.17/5 responds to the above mentioned mandate and analyses key Fund policies, procedures and guidelines to determine whether the issues of gender

equality, gender equity and women's empowerment are sufficiently covered and addressed or if an elaborated Fund gender policy (with the possibility of a corresponding gender action plan to create accountability for its implementation) might be needed to ensure consistency and follow-through in Fund supported adaptation measures. The analysis by the secretariat concludes that, while there are separate gender-related elements integrated to varying degrees in essential Fund policies and procedures, a comprehensive and policy-guided approach would bring the Fund's practices generally in line with the practice of other leading financial institutions active in environment and development financing. The document also contains in its annex a proposal of gender policy for consideration by the EFC.

Action expected: the EFC will be invited to consider the conclusions of the analysis by the secretariat, including the proposed gender policy, and to make a recommendation to the Board.

6. Annual report for the fiscal year 2015

Document: AFB/EFC.17/6/Rev.1, *Annual performance report for the fiscal year 2015*.

Background: The secretariat will present the annual performance report 2015 for consideration by the EFC.

Action expected: The EFC will be invited to consider the annual performance report for the fiscal year 2015 contained in document AFB/EFC.17/6, and make a recommendation to the Board for approval

7. Complaint handling mechanism

Under this agenda item the secretariat will brief EFC members about any issues brought to its attention under the complaint handling mechanism established by the Board. The EFC will make recommendations to the Board on any issues raised, as appropriate.

8. Implementation of the code of conduct

Under this agenda item EFC members can raise any issues related to the implementation of the code of conduct for deliberation by the EFC. The EFC will make recommendations to the Board on any issues raised, as appropriate. The code of conduct text is available on the Fund's website.

9. Financial issues

a) *Financial status of the trust fund and CER monetization:*

Documents: AFB/EFC.17/7, Adaptation Fund Trust Fund: Financial report prepared by the trustee (as at 30 June 2015), and AFB/B.26/Inf.4, Trustee presentation: Update on status of resources and CER monetization.

Background: The trustee will report on the financial status of the trust fund to the EFC.

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

b) *Reconciliation of the Board and secretariat, and trustee budgets for the fiscal year 2015:*

Document: AFB/EFC.17/8, Reconciliation of the administrative budgets of the Board and secretariat, and the trustee for the fiscal year 2015.

Background: the secretariat and trustee will present the reconciled budgets for fiscal year 1 July 2014 – 30 June 2015.

Action expected: the EFC may wish to take note of the reconciled budgets of the Board and secretariat, and the trustee for the fiscal year 2015.

c) *UNFCCC CER voluntary cancellation tool:*

Document: AFB/EFC.17/Inf.1, UNFCCC online platform for voluntary cancellation of CERs (presentation).

Background: At the 24th Board meeting in October 2014, the UNFCCC secretariat made a presentation to the Board announcing its intention to develop an on-line website that could be used by individuals for the purchase and voluntary cancellation of CERs held in the CDM Registry. The Board requested the World Bank as trustee to "coordinate with the UNFCCC Secretariat to analyze the potential benefits and costs of the Adaptation Fund CERs being offered on the on-line public CER website being developed by the UNFCCC, and report the findings to the EFC intersessionally." (Decision AFB 24/26). The trustee prepared an intersessional report for the EFC (dated March 13, 2015) in which the trustee reported that the UNFCCC secretariat's system was still in the process of development, that deployment was not expected until mid-2015, and therefore such analysis would need to await deployment of the system by the UNFCCC secretariat. The UNFCCC secretariat informed the secretariat and trustee that it intended to launch the on-line tool on 22 September 2015 during the UN meetings in New York. The UNFCCC secretariat will make a presentation to the EFC on the on-line tool and the trustee will

present its views on the potential use of the on-line tool by the Board as an additional platform for the monetization of CERs.

Action expected: The EFC will be invited to consider the information provided by the UNFCCC secretariat and the trustee on the on-line tool.

10. Other matters

EFC members will be invited to discuss any other matters raised during the adoption of the agenda.

11. Adoption of the recommendations and report.

12. Closure of the meeting.

PROVISIONAL TIMETABLE**Day 1: 6 October 2015***Morning session*

9:00 – 9:15	1	Opening of the meeting.
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	2 a)	Adoption of the agenda.
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	2 b)	Organization of work.
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9:15 – 10:00	6	Annual report FY15.
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10:00 – 10:45	3	Evaluation of the Fund.
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10:45 – 11:00 Coffee break

11:00 – 11:30	4	Accreditation effectiveness and efficiency.
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11:30 – 12:15	5	Gender related policies and procedures
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Afternoon session

14:00 – 15:00	7	Complaint handling mechanism
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15:00 – 15:15	8	Implementation of the code of conduct
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15:15 – 15:30 Coffee break

15:30 – 16:30	10	Other matters
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Day 2: 7 October 2015*Morning session*

9:00 – 9:30	9.b)	Budget reconciliation
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9:30 – 10:00	9.a)	Financial status of the trust fund and CER monetization
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10:00 – 10:30 Coffee

10:30 – 11:15	9.c)	UNFCCC CER VCT
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Afternoon session

16: 00 – 17:00	11	Adoption of the report
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	12	Closure of the meeting
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