



ADAPTATION FUND

AFB/B.28/2
28 September 2016

Adaptation Fund Board
Twenty-eight Meeting
Bonn, Germany, 6-7 October 2016

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

The meeting will be opened by the outgoing Chair of the Adaptation Fund Board, Mr. Naresh Sharma (Nepal, Least Developed Countries).

2. Organizational matters:

a) *Adoption of the agenda*

Documents: AFB/B.28/1/Rev.1, Provisional agenda and AFB/B.28/2, 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 17.

b) *Organization of work*

Documents: AFB/B.28/1/Rev.1, Provisional agenda and AFB/B.28/2, 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.28/2.

3. Report on activities of the Chair

Document: None.

Background: The Chair of the Board, Mr. Naresh Sharma, will report on the activities carried out during the intersessional period.

4. Report on activities of the secretariat

Document: AFB/B.28/3, 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.28/4, *Report of the Accreditation Panel*.

Background: The Vice-Chair of the Accreditation Panel, Ms. Yuka Greiler (Switzerland, Western European and Other States), will present the Panel's report to the Board. The report contains recommendations on the accreditation and re-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.

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

Document: the PPRC will issue its report after its nineteenth meeting, which will take place on 4-5 October 2016.

Background: The Chair of the PPRC, Mr. Yerima Peter Tarfa (Nigeria, African Group), will present the PPRC report to the Board. The report contains recommendations on:

- a) Funding for proposals under the pilot programme for regional activities;
- b) Overview of project/programme proposals received for consideration;
- c) Issues identified during project/programme review;
- d) Project/programme proposals;
- e) Further study on the adaptation reasoning.

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

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

Document: the EFC will issue its report after its nineteenth meeting, which will take place on 4-5 October 2016.

Background: The Chair of the EFC, Ms. Tove Zetterström-Goldmann (Sweden, Western European and Other States), will present the EFC report to the Board. The report contains recommendations on the following issues considered by the EFC:

- a) Annual performance report for the fiscal year 2016;

- b) Evaluation of the Fund;
- c) Knowledge management strategy;
- d) Effectiveness and efficiency of the accreditation process;
- e) Gender policy and action plan;
- f) Complaint handling mechanism;
- g) Implementation of the code of conduct;
- h) Financial issues.

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

8. Resource Mobilization strategy

Document: *AFB/B.28/8 Resource mobilization strategy* and *AFB/B.28/8/Add.1 (Confidential)*.

Background: At its twenty-seventh meeting, the Board decided to “[r]equest the secretariat to prepare, in collaboration with the Resource Mobilization Task Force, an updated resource mobilization strategy, to be presented to the Board at its twenty-eighth meeting” (Decision B.27/36(a)). The secretariat has prepared, in collaboration with the Resource Mobilization Task Force, such an updated strategy. The background for the updated strategy is presented in document AFB/B.28/8. The draft updated strategy itself is contained in the addendum AFB/B.28/8/Add.1 which is circulated to the Board as a confidential document.

Action expected: The Board will be invited to consider the draft updated strategy presented by the secretariat.

9. Report of the portfolio monitoring mission to Mongolia

Document: AFB/B.28/5, *Report of the portfolio monitoring mission in Mongolia*.

Background: The secretariat conducts missions to projects/programmes under implementation to collect and analyze lessons learned through its portfolio. In June 2016 the secretariat visited the project “Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia” implemented by UNDP. Document AFB/B.28/5 contains the report of the portfolio monitoring mission.

Action Expected: The Board will be invited to consider the report presented by the secretariat.

10. Report of the readiness programme

Document: AFB/B.28/3, *Report on the activities of the secretariat*.

Background: The secretariat will report on implementation of the readiness programme, which has been integrated into the Fund's work plan and budget from the current fiscal year 2016 (decision B.27/38).

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

11. Issues remaining from the twenty-seventh 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.28/6, *Strategic discussion on objectives and further steps of the Fund: Potential linkages between the Fund and the Green Climate Fund.*

Background: At its twenty-fourth meeting the Board requested the secretariat to prepare a document containing elements on potential linkages of the Fund with the Green Climate Fund (GCF), for consideration during the intersessional period between its twenty-fourth and twenty-fifth meetings. The secretariat produced document AFB/B.24-25/1, Potential linkages between the Adaptation Fund and the Green Climate Fund, which builds upon the options outlined in document AFB/B.20/5, Strategic prospects for the Adaptation Fund, discussed at the twentieth Board meeting in March 2013. Document AFB/B.24-25/1 analyzed in particular two scenarios: (a) establishment of an operational linkage with the GCF, through either accreditation or an ad hoc agreement or memorandum of understanding; and (b) institutional integration between the two funds. By decision B.24-25/9 the Board decided to request the secretariat to further assess: (i) the potential for the Fund to apply as a financial intermediary of the GCF; 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 present its conclusions to its twenty-fifth meeting. Following the presentation by the secretariat at its twenty-fifth meeting, the Board decided to request the secretariat, in consultation with the trustee, as appropriate, to prepare a document for consideration by the Board at its twenty-sixth meeting containing further legal, operational, and financial analysis on the implications of various linkages with the GCF. As requested, the secretariat presented document AFB/B.26/5 containing an analysis of the legal, operational, and financial implications of the options for potential linkages with the GCF outlined in decision B.24-25/9, based on the available GCF documentation, at its twenty-sixth Board meeting. At its twenty-seventh meeting the Board decided to request the secretariat to update document AFB/B.26/5 based on the outcome of the COP21/CMP11 for full consideration by the Board at its twenty-seventh meeting (decision B.26/38). COP 21 decided to encourage the GCF Board to improve complementarity and coherence with other institutions, per paragraphs 33 and 34 of the governing instrument of the Green Climate Fund. Following consideration of this document, the Board requested the Chair and Vice-Chair to continue consultations with the Co-Chairs of the GCF Board on potential linkages between the two funds, and the secretariat to continue its collaboration with the GCF on issues identified in decision B.25-26/6, and update document AFB/B.27/6 with the outcome of those discussions (decision B.27/37). Document AFB/B.28/6 presents the requested update for consideration by the Board.

Action expected: The Board will be invited to consider the information provided in document AFB/B.28/6 and decide on a course of action regarding the dialogue to be convened by the GCF in December 2016.

b) Medium-term strategy for the Fund;

Document: AFB/B.28/7, *Options for a medium-term strategy* and *AFB/B.28/7/Add.1 (Confidential)*.

Background: At its twenty-seventh meeting, following a discussion under the agenda item "Issues remaining from the twenty-sixth meeting" sub-item c) "Proposal to modify the country cap", the Board decided to:

a) Maintain, for the time being, the cap per country established by decision B.13/23; and

b) Request the secretariat to prepare, for consideration by the Board at its twenty-eighth meeting, options for a framework for a medium-term strategy for the Fund, that would reflect the strategic priorities of the Fund approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) and take into account the findings of the Phase I of the Overall Evaluation of the Fund, as well as, inter alia, the following matters:

(i) The financial situation of the Adaptation Fund, including the work done for resource mobilization for the Fund;

(ii) The progress being made on accreditation of implementing entities and developing readiness to access adaptation finance;

(iii) Allocation of funds, including the cap of 50 per cent set for proposals submitted by multilateral implementing entities by decision B.12/9, the cap per country set by decision B.13/23 and consideration of regional projects and programmes within and beyond the pilot programme for regional projects and programmes set up by decision B.25/28; and

(iv) The discussion on potential linkages between the Adaptation Fund and the Green Climate Fund (GCF).

(Decision B.27/39)

The secretariat has prepared a document outlining options for a framework for a medium-term strategy for the Fund. The main document AFB/B.28/7 provides a brief background and presents the options. Background information on the options is contained in the addendum AFB/B.28/7/Add.1 which is circulated to the Board as a confidential document.

Action expected: The Board will be invited to consider the options for a framework for a medium-term strategy presented by the secretariat.

c) Pending recommendations arising out of the first phase of the overall evaluation.

Document: AFB/B.28/Inf.6, Management response to the evaluation of the Fund (phase I).

Background: Following the recommendation by the EFC, the Board at its twenty-seventh meeting decided to include in the agenda of its twenty-eight meeting, an item on the pending recommendations arising out of the first phase of the overall evaluation of the Fund (decision B.27/35).

Action expected: The Board will be invited to consider the recommendations of the evaluation and the management response and make any decision it deems appropriate.

12. Communications and outreach

Document: AFB/B.28/3, Report on the activities of the secretariat.

Background: The secretariat will report on its communication efforts since the twenty-seventh meeting, including on events scheduled during the upcoming COP 22 / CMP 12.

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

13. Financial issues:

a) Financial status of the Trust Fund and CER monetization

Documents: AFB/EFC.19/8, Adaptation Fund Trust Fund: financial report prepared by the trustee (as at 30 June 2016); AFB/B.28/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.

b) Status of the project/programme pipeline.

Documents: none.

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 pipeline (Decision B.17/19). Currently there are no projects/programmes in the pipeline.

The Board at its twenty-seventh meeting decided to “[r]equest the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline” (Decision B.27/5).

Action expected: Pending discussion under agenda item 6. "Report of the nineteenth meeting of the Project and Programme Review Committee (PPRC)", the Board will be invited to consider and take note of the status of the pipeline (if any).

14. Dialogue with civil society organizations

Document: AFB/B.28/Inf.5, *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. Election of officers for the next period of office

Documents: *Rules of procedure of the Adaptation Fund Board*, section IV; *General guidelines for Board Committees*, paragraphs 4-6; and *Terms of reference of the Accreditation Panel*.

Background: The Board will elect officers for the period of office starting at the twenty-ninth meeting, namely:

- Board Chair from Annex I Party
- Board Vice-Chair from non-Annex I Party
- EFC Chair from non-Annex I Party
- EFC Vice-Chair from Annex I Party
- PPRC Chair from Annex I Party
- PPRC Vice-Chair from non-Annex I Party
- Accreditation Panel member from non-Annex I Party to serve as Chair
- Accreditation Panel Vice-Chair from Annex I Party

Action expected: The Board will elect its officers for the period of office starting at the twenty-ninth meeting.

16. Date and venue of meetings in 2017 and onwards

Background: The secretariat will inform about dates for upcoming Board meetings.

Action expected: The Board will be invited to confirm the meetings' schedule.

17. Other matters

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

18. Adoption of the report

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

19. Closure of the meeting.

PROVISIONAL TIMETABLE**Day 1: 6 October 2016***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 – 10:15	4	Report of the secretariat
10:15 – 10:30	5	Report of the Accreditation Panel

10:30 – 10:45 Coffee break

10:45 – 11:15		Dialogue with UNFCCC Executive Secretary, Patricia Espinosa
11:15 – 12:30	7	Report of the EFC

Afternoon Session

14:00 – 14:45	6	Report of the PPRC
14:45 – 15:45	14	CSO dialogue

15:45 – 16:00 Coffee break

16:00 – 17:00	11 a)	Potential linkages with GCF
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Day 2: 7 October 2016*Morning Session*

9:00 – 9:30	11 b)	Medium term strategy
9:30 – 10:15	11 c)	Pending recommendations (evaluation)

10:15 – 10:30 Coffee break

10:30 – 11:45	8	Resource Mobilization strategy
11:45 – 12:15	9	Report of mission to Mongolia
12:15 – 12:30	17	Other matters

Afternoon Session

14:00 – 14:30	18	Readiness programme
14:30– 15:00	12	Communications
15:00– 15:15	13	Financial issues
15:15 – 15:30	15	Election of officers
15:30 – 15:45	16	Meetings 2017
15:45 – 16:00		<i>Coffee break</i>
16:00 – 17:00	19.	Adoption of the report.
	20.	Closure of the meeting