



ADAPTATION FUND

AFB/EFC.31/2
17 March 2023

Adaptation Fund Board
Ethics and Finance Committee
Thirty-first Meeting
Bonn, Germany, 21-22 March 2023

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

The outgoing Chair of the Ethics and Finance Committee (EFC), Mr. Mattias Broman (Sweden, Western European and Others) will open the meeting.

2. Transition of the Chair and Vice-Chair

Background: The Board, at its thirty-ninth meeting, elected Mr. Michai Robertson (Antigua and Barbuda, Small Island Developing States) as the Chair of the EFC and Mr. Matthias Bachmann (Switzerland, Annex I Parties) as the Vice-Chair of the EFC, for the period of office starting at the thirty-first meeting. However, the Board membership for Mr. Matthias Bachmann (Switzerland, Annex I Parties) was not confirmed before the thirty-first meeting of the EFC. In physical absence of the Chair of the EFC from this meeting due to his schedule conflict, an interim Chair and Vice-Chair may be appointed to chair the thirty-first meeting of the EFC.

Action expected: The outgoing Chair and Vice-Chair will hand over the EFC Chairmanship to the incoming and/or interim Chair and Vice-Chair, respectively.

3. Organizational matters:

a) Adoption of the agenda

Documents: AFB/EFC.31/1/Rev.1, Provisional agenda and AFB/EFC.31/2, 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.31/1/Rev.1, Provisional agenda and AFB/EFC.31/2, Annotated provisional agenda.

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

4. Financial issues:

a) Financial status of the Trust Fund and CER monetization

Document: AFB/EFC.31/3, Adaptation Fund Trust Fund: Financial report prepared by the trustee (as at 31 December 2022).

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) Work Plan of the Board and Secretariat for the fiscal year 2024

Document: AFB/EFC.31/4, Work Plan for fiscal year 2024.

Background: The secretariat will present the work plan proposal for fiscal year 1 July 2023 – 30 June 2024 (FY24).

Action expected: The EFC will be invited to consider and recommend to the Board for approval of the work plan for FY24.

c) Administrative budget of the Board and Secretariat, and AF-TERG and its secretariat, Trustee for fiscal year 2024

Document: AFB/EFC.31/5, Administrative budgets of the Board and secretariat, AF-TERG and its secretariat, and trustee for fiscal year 2024.

Background: The secretariat, the secretariat of the AF-TERG and the trustee will present the administrative budget request for fiscal year 1 July 2023 – 30 June 2024 (FY24).

Action expected: The EFC will be invited to consider and recommend to the Board for approval, the administrative budgets for the Board, secretariat, AF-TERG and its secretariat, and trustee for fiscal year 2024.

5. Report of the Chair of the Technical Evaluation Reference Group:

a) Work update reporting

Document: AFB/EFC.31/Inf.2, *Work Update Report of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) - Progress Update for Fiscal Year 2023 (FY23) and Forward Priorities for Fiscal Year 2024 (FY24)*

Background: The Chair of the AF-TERG will provide an annual progress update for FY23 on the multi-year workplan and outline forward priorities for FY24.

Action expected: The EFC will be invited to consider the information presented in the Chair's presentation and the written report.

b) Guidance documents in support of the operationalization of the Evaluation Policy

Documents:

- AFB/EFC.31/8, *Guidance in Support of the Operationalization of the Evaluation Policy - Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG)*
- AFB/EFC.31/8/Add.1, *Annex 1 Draft Guidance Note, Evaluation Principles*
- AFB/EFC.31/8/Add.2, *Annex 2 Draft Guidance Note, Evaluation Criteria*
- AFB/EFC.31/8/Add.3, *Annex 3 Draft Guidance Note, Evaluation Budgeting*
- AFB/EFC.31/8/Add.4, *Annex 4 Draft Guidance Note, Commissioning and Managing an Evaluation*
- AFB/EFC.31/8/Add.5, *Annex 5 Draft Guidance Note, Evaluation Terms of Reference*
- AFB/EFC.31/8/Add.6, *Annex 6 Draft Guidance Note, Evaluation Inception Report*
- AFB/EFC.31/8/Add.7, *Annex 7 Draft Guidance Note, Evaluation Reporting*
- AFB/EFC.31/8/Add.8, *Annex 8 Draft Guidance Note, Mid-Term Review*
- AFB/EFC.31/8/Add.9, *Annex 9 Draft Guidance Note, Final Evaluations*
- AFB/EFC.31/8/Add.10, *Annex 10 Draft Guidance Note, Ex Post Evaluation*

Background: Pursuant to Decision B.39/55, regarding the Draft Framework for the Development of Evaluation Policy Guidance Documents (AFB/EFC.30/8/Rev.1), the AF-TERG continued the development of evaluation policy guidance documents in consultation with the secretariat. This document provides an update to the EFC on the process and timelines for development of the evaluation policy guidance notes and their introduction to Fund stakeholders; and seeks EFC endorsement of the first set of guidance notes to inform the operationalization of the Evaluation Policy scheduled for October 2023.

Action expected: The EFC will be invited to consider and take note of the report on guidance in support of the operationalization of the Evaluation Policy, as contained in document AFB/EFC.31/8, and to make a recommendation to the Board for its endorsement of the guidance notes provided by the AF-TERG in the annexes of Document AFB/EFC.31/8, and its endorsement of the other elements of the proposed recommendations as contained in document AFB/EFC.31/8.

c) Information Update on the Rapid Evaluation

Document: None.

Background: At its thirty-ninth meeting, the Board decided to adopt a phased approach to the overall evaluation, proceeding urgently with a rapid evaluation and undertaking a comprehensive evaluation at a later stage, with a view to contributing to the development of the Adaptation Fund's medium-term strategy for 2028–2032 (Decision B.39/57). The AF-TERG will provide the EFC with an update on the progress made so far on the rapid evaluation, including discussing the framework to conduct the synthesis and presenting next steps.

Action expected: The EFC will be invited to consider and take note of the information update on the rapid evaluation presented by the AF-TERG.

d) Process for the next cycle of work programming

Document: None.

Background: The AF-TERG work programme currently covers the period FY21 to FY24. The Chair of the AF-TERG will present the process for the next cycle of AF-TERG work programming, to cover the period FY25 to FY27.

Action expected: The EFC will be invited to consider and take note of the information presented by the AF-TERG regarding the process for the next cycle of work programming.

6. Management response to the key findings of the Thematic Evaluation of the Adaptation Fund's experience with innovation conducted by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG)

Document: AFB/EFC.31/6, *Updated management response and action plan - thematic evaluation of the Adaptation Fund's experience with innovation conducted by the Technical Evaluation Reference Group of the Adaptation Fund*

Background: This document presents an updated management response prepared by the secretariat in consultation with the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) on the Thematic Evaluation of the Adaptation Fund's Experience with Innovation, as per Decision B.39/56.

Action expected: The EFC will be invited to consider document AFB/EFC.31/6 and make a recommendation to the Board.

7. Update on implications of the fiduciary issues related to the United Nations Development Programme

Document: AFB/EFC.31/7, *Update on implications of the fiduciary issues related to the United Nations Development Programme*

Background: As per Board decision B.39/60, the secretariat will present a report on the update on the on the implications of the fiduciary issues related to the United Nations Development Programme (UNDP). Also, as requested by the Board (Decision B.39/60),

UNDP will be invited to make an oral presentation on the status of the matters at the thirty-first meeting of the EFC.

Action expected: The EFC will be invited to consider and recommend to the Board for approval the way forward on the matters related the implications of the fiduciary issues related to the United Nations Development Programme.

8. Temporary measures taken as a response to the COVID-19 pandemic

Document: AFB/EFC.31/9, *Update Report on the Adaptation Fund's Response to the Covid-19 Pandemic and Adaptive Measures to Mitigate its impact on the Fund's Portfolio*

Background: The Adaptation Fund Board during the second session of its thirty-fifth meeting, considered and approved the Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the Fund's portfolio (Decision B.35.b/16). The secretariat will provide an update to the Board on the implementation of the Board Decision B.35.b/16 and present options for the Board to continue mitigating the impact of the COVID-19 pandemic on the Fund's portfolio.

Action expected: The EFC will be invited to (1) take note of the update report by the secretariat and (2) consider and recommend to the Board for approval, the revision of Board decision B.35.b/16 on the adaptive measures to mitigate its impact on the Fund's portfolio.

9. Request for a revision of legal agreement

Document: AFB/EFC.31/10, *Request for a revision of Adaptation Fund's standard legal agreement by the Food and Agriculture Organization of the United Nations (FAO)* [Confidential]

Background: The Adaptation Fund Board at its twenty-eight meeting, approved the project titled "Strengthening Resilience to Climate and Covid-19 shocks through Integrated Water Management on the Sudan – Chad Border area (SCCIWM)", submitted by the Food and Agriculture Organization of the United Nation (FAO) (Decision B.38/30). As per the Fund's operational policies and guidelines, a legal agreement is required to be signed between the Board and FAO within a period of four (4) four months from the date of notification of the approval of the project/programme proposal. To date, the project legal agreement has not been signed between the Board and FAO. Through letter sent to the Chair of the Board in August 2022, FAO has requested an amendment of the Fund's standard legal agreement on matters related to policy compliance and auditing respectively as contained in clauses 3.02 (i) and auditing as contained in clause 7.01 (f) of the standard legal agreement.

Action expected: The EFC will be invited to (1) take note of the request submitted by FAO and the analysis provided by the secretariat and (2) consider and recommend to the Board for approval, the approval or rejection of the amendment request submitted by the FAO.

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

EFC members will be invited to adopt EFC's recommendations to the Board and the report of the EFC meeting.

12. Closure of the meeting

The Chair or Vice-Chair of the Ethics and Finance Committee (EFC), or interim Chair or Vice-Chair, will close the meeting.

PROVISIONAL TIMETABLE

All timetables are (UTC+01:00) Central European Time (Bonn, Germany).

Day 1: 21 March 2023

9:30 – 9:40	1	Opening of the meeting
	2	Transition of the Chair and Vice-Chair
	3 a)	Adoption of the agenda
	3 b)	Organization of work
9:40 – 10:30	5	Report of the Chair of the Technical Evaluation Reference Group, including:
	a)	Work update reporting
	b)	Guidance documents in support of the operationalization of the Evaluation Policy
10:30 – 10:50		<i>Coffee break</i>
10:50 – 12:30	5	Report of the Chair of the Technical Evaluation Reference Group, including:
	c)	Information update on the Rapid Evaluation
	d)	Process for the next cycle of work programming
12:30 – 14:00		<i>Lunch break</i>
14:00 – 14:30	6	Management response to the key findings of the Thematic Evaluation of the Adaptation Fund's experience with innovation conducted by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG)
14:30 – 15:00	7	Update on implications of the fiduciary issues related to the United Nations Development Programme
15:00 – 15:30	8	Temporary measures taken as a response to the COVID-19 pandemic
15:30 – 15:50		<i>Coffee break</i>
15:50 – 16:00	9	Request for a revision of legal agreement

[To be continued to the next page]

16:00 – 16:30	4 b)	Work Plan of the Board and Secretariat for the fiscal year 2024
16:30 – 17:00	4 c)	Administrative budget of the Board and Secretariat, AF-TERG and its secretariat, and Trustee for fiscal year 2024
17:00 – 17:30	4 a)	Financial status of the Trust Fund and CER monetization
17:30 – 18:00	10	Other matters

Day 2: 22 March 2023

9:00 – 9:10	1	Opening of the meeting
9:10 – 10:30		(Remaining agenda items from Day 1 if any)
10:30 – 10:50		<i>Coffee break</i>

[The secretariat may request for additional time before agenda 11 to accommodate discussions held earlier on Day 2 in the EFC report for adoption.]

10:50 – 12:30	11	Adoption of the recommendations and report
	12	Closure of the meeting
12:30 – 14:00		<i>Lunch break</i>