

**Adaptation Fund Board  
Ethics and Finance Committee  
Terms of Reference**

1. The Ethics and Finance Committee (EFC) shall be responsible for providing advice to the Board on issues of conflict of interest, ethics, finance and audit.
2. In this regard, the EFC shall:
  - a) Develop, for approval by the Board, a draft Code of Conduct for the implementation of section VII of the Rules of Procedure in order to protect Board members and alternates and the staff of the secretariat from conflict of interest in their participation, identifying cases of conflict of interest and the related procedures;
  - b) Oversee the implementation of the Code of Conduct and address differences in its interpretation as well as consequences of breach of the Code of Conduct;
  - c) Review and provide advice on the budget for the operating expenses of the Board, secretariat and trustee;
  - d) Advise the Board on overall resource mobilization policy and approach, including recommendations from the trustee with respect to monetization of CERs and receipt of contributions from other sources;
  - e) Review the financial statements of the Fund;
  - f) Review the performance of the Fund and NIEs and MIEs making use of both internal and external evaluations and reports from NIEs, MIEs and other sources as appropriate;
  - g) Address issues concerning monitoring and evaluation of projects and programmes; including *inter alia*, annual status reports, Annual Monitoring Reports and other matters in accordance with paragraphs 42 to 45 of the Operational Policies and Guidelines;
  - h) Oversee the activities of the Secretariat involving recruitment and procurement of services and other activities related to the area of responsibility of the Committee ;
  - i) Oversee the activities of the trustee in areas relevant to the responsibility of the Committee;
  - j) Consider any other matter the Board deems appropriate.
3. The EFC, in consultation with the Board Chair, may require assistance and/or advice from experts in the performance of its functions;
4. When the matter under discussion so requires, the trustee will attend the meetings of the EFC.