



ADAPTATION FUND

AFB/EFC.27/12

1 April 2021

ADAPTATION FUND BOARD

Ethics and Finance Committee

Twenty-seventh Meeting

Bonn, Germany (held virtually), 24–25 March 2021

REPORT OF THE TWENTY-SEVENTH MEETING OF THE ETHICS AND FINANCE COMMITTEE

Agenda Item 1: Opening of the meeting

1. The Chair of the Ethics and Finance Committee (EFC), Ms. Sylviane Bilgischer (Belgium, Annex I Parties), opened the meeting and greeted the participants at 2:00 p.m. (Central European Time (UTC+1)) on 24 March 2021.

Agenda Item 2: Transition of the Chair and Vice-Chair

2. Mr. Mohamed Zmerli (Tunisia, Africa) took over as the Chair of the EFC and Ms. Bilgischer took over as the Vice-Chair.

Agenda Item 3: Organizational matters

a) Adoption of the agenda

3. The EFC adopted the following agenda for its twenty-seventh meeting on the basis of the provisional agenda set out in document AFB/EFC.27/1/Rev.1:

1. Opening of the meeting.
2. Transition of the Chair and Vice-Chair
3. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
4. Financial issues:
 - a) Financial status of the Trust Fund and CER monetization;

- b) Work plan of the Board and Secretariat for the fiscal year 2022;
 - c) Administrative budget of the Board and Secretariat, and Trustee for fiscal year 2022, and the AF-TERG and its secretariat for fiscal years 2022–2023.
5. Report of the Chair of the Technical Evaluation Reference Group, including:
 - a) AF-TERG progress update on the review and revision of the Evaluation Framework;
 - b) AF-TERG draft emerging findings of the mid-term review of the Medium-Term Strategy;
 - c) AF-TERG synthesis of Adaptation Fund final evaluations;
 - d) AF-TERG advisory groups.
 6. Report on project inception delays and proposed options.
 7. Update on resource mobilization strategy and action plan.
 8. Classification of implementing entity applicants as regional implementing entities.
 9. Other matters.
 10. Adoption of the recommendations and report.
 11. Closure of the meeting.

4. In adopting the agenda, the EFC agreed to also discuss fiduciary issues related to the United Nations Development Programme (UNDP), under item 9, Other matters.

b) Organization of work

5. The EFC adopted the organization of work proposed by the Chair based on the provisional timetable contained in document AFB/EFC.27/2/Rev.1.

6. In accordance with paragraph 29 of the rules of procedure, the Chair then called upon all EFC members to orally declare any conflict of interest that they might have with any item on the current meeting agenda. He also drew attention to the Code of Conduct and Zero Tolerance Policy for the Board, which were available on the website of the Fund.

7. Mr. Aram Ter-Zakaryan (Armenia, Eastern Europe) declared a potential conflict of interest in relation to matters concerning UNDP.

Agenda Item 4: Financial issues

a) *Financial status of the Trust Fund and CER monetization*

8. A representative of the trustee presented the Adaptation Fund Trust Fund financial report prepared by the trustee as at 31 December 2020 (AFB/EFC.27/4), and in particular the income of the Fund, which consisted of contributions received during the year, donations receivable and outstanding pledges, as well as income from the sale of Certified Emission Reductions (CERs) and investment income. At 31 December 2020, funds available for new decisions had amounted to US\$ 253.5 million. The report was available on the trustee's website,¹ along with the trustee reports for prior periods.

9. A second representative of the trustee provided an update on the CER market and CER monetization. Since the end of 2020, 290,000 CERs had been sold at an average price of US\$ 4.4, for proceeds of US\$ 1.3 million. The market remained much the same as in 2020. The average price of US\$ 1.8 achieved in 2020 represented a combination of sales in local compliance markets with specific requirements, which could offer higher prices, and voluntary purchases of CERs, at a somewhat lower price; the lower-priced voluntary purchases tended to occur later in the year, resulting in a lower average price on an annual basis.

10. The Ethics and Finance Committee took note of the trustee's report in document AFB/EFC.27/4.

b) *Work plan of the Board and secretariat for fiscal year 2022*

11. The Manager of the Adaptation Fund Board Secretariat (the secretariat) presented the work plan proposal for fiscal year 2022, covering the period from 1 July 2021 to 30 June 2022 (AFB/EFC.27/5, annex I). He explained that given the current positive developments in management of the pandemic, particularly with respect to vaccines, the secretariat was starting to prepare for a gradual return to normal working arrangements and expected to return to office-based work in the fall of 2021. Consequently, the workplan was based on the hypothesis that fiscal year 2022 would be a fairly normal year.

12. Following his presentation, he responded to questions and comments from members. Regarding the participation of civil society, which he characterized as cross-cutting, he said that the secretariat would continue to involve civil society organizations in the work of the Fund, such as in project and programme review. Indeed, the Board was scheduled to discuss ways to enhance collaboration with civil society at its upcoming thirty-sixth meeting.

13. Regarding the likelihood that the thirty-seventh meeting of the Board, scheduled for October 2021, would be held in an in-person format, he said that it was difficult to predict given the many factors involved, including technical factors and the question of how meetings under

¹<https://fiftrustee.worldbank.org/en/about/unit/dfi/fiftrustee/fund-detail/adapt>.

the United Nations Framework Convention of Climate Change (UNFCCC) would unfold in general over the coming months. The current plan was to hold an in-person meeting in Bonn.

14. On the aspect of resource mobilization, which was on the agenda of the current meeting under a separate item, he said that the current strategy and action plan focused mainly on sovereign Governments as contributors to the Fund, and to a lesser extent on subnational governments, as well as on private entities on an opportunistic basis. The secretariat's resource mobilization efforts were limited by the lack of a dedicated person or a dedicated budget. The proposed administrative budget for fiscal year 2022 included a small allocation to cover expenses for a part-time consultant to help with the review and updating of the resource mobilization strategy and perhaps some travel expenses. While small, the budget was expected to significantly enhance the secretariat's resource mobilization activities, as were the new staff positions proposed for fiscal year 2022 under the administrative budget.

15. Another representative of the secretariat provided additional information on the gender training to be offered, saying that it was planned for Board members and was well-timed in the light of the recent approval of the updated Gender Policy and Gender Action Plan. In addition, the UNFCCC secretariat gender team, which had recently provided gender training for the UNFCCC constituted bodies which includes the Adaptation Fund Board, might support the training to cover certain aspects. The secretariat planned to conduct a survey to determine which aspects of gender training were of particular interest to the Board members.

16. The Ethics and Finance Committee recommended that the Adaptation Fund Board approve the Adaptation Fund Board secretariat's proposed work plan for fiscal year 2022, as set out in annex I to document AFB/EFC.27/5.

(Recommendation EFC.27/1)

c) *Administrative budget of the Board and secretariat and the trustee for fiscal year 2022, and of the AF-TERG and its secretariat for fiscal years 2022–2023*

17. Representatives of the secretariat presented the administrative budget request for the Board and secretariat for fiscal year 2022, covering the period from 1 July 2021 to 30 June 2022, the representative of the secretariat of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) presented the administrative budget request for the AF-TERG for fiscal years 2022 and 2023, covering the period from 1 July 2021–30 June 2023, and the representative of the trustee presented the estimated costs and expenses for the trustee for fiscal year 2022, covering the period from 1 July 2021 to 30 June 2022 (AFB/EFC.27/6). Following their presentations, they responded to a number of questions and comments from members.

18. Addressing a question regarding the potential for replacing face-to-face meetings with virtual meetings in the future to reduce both the Fund's budget and its climate impact, the Manager of the secretariat acknowledged that virtual meetings had become commonplace as a result of the pandemic and could theoretically continue beyond the pandemic. That said, there

was also value in the human interaction and exchanges that took place at and in the margins of in-person meetings. It would likely be easier to determine the right balance of the two modalities following the first post-pandemic face-to-face meeting. The representative of the AF-TERG secretariat added that while the work of the AF-TERG was mostly virtual by design, some in-person meetings were needed; however, insofar as possible those would be combined with other events or with evaluation field work to limit their carbon footprint. It was also notable that the outreach and capacity-building components of the AF-TERG work benefitted from in-person contact in the field.

19. Turning to the question of the rationale behind the addition of two secretariat staff positions, the Manager of the secretariat explained that the overall volume of the secretariat's work had increased in recent years, with more workstreams and the addition of new reporting lines such as knowledge management and innovation. The additional staff positions were important to enable the secretariat to work in a more structured, efficient manner. The volume of active projects was also increasing rapidly, growing by 50 per cent in last two calendar years alone. According to the Adaptation Gap Report 2020 published by the United Nations Environment Programme, the adaptation finance gap, and consequently the demand for Adaptation Fund resources, was increasing, and there was thus potential for continued portfolio growth going forward.

20. Regarding the adequacy of the resource mobilization budget, the Manager of the secretariat noted that the current Board-approved resource mobilization strategy focused on governments, which had been the largest source of the Funds resources to date. The proposed budget would improve the secretariat's ability to reach out to government contributors.

21. The representative of the AF-TERG secretariat provided a clarification regarding amounts budgeted in 2022 in connection with the mid-term review of the medium-term strategy, despite the fact that the review would be completed in 2021. He explained that the team had considered that time was needed to evaluate how the mid-term review would inform the development of the next medium-term strategy, and was therefore proposing a small budget to cover the work of a senior evaluator and a data analyst for that purpose.

22. Finally, the representative of the trustee addressed a number of questions on the trustee's budget. The Bank applies a uniform costing methodology to fully recover both direct and indirect costs associated with the trustee services it provides to financial intermediary funds (FIFs). Indirect costs amount to slightly less than a quarter of the Bank's total costs and are consistently attributed across the Bank and external funds, including FIFs, in accordance with the cost recovery methodology. Regarding the budget adjustment request for fiscal year 2021, it resulted from a fee revision and requirements set at the Bank level that are not expected to be reviewed in the near term, hence no changes to the costing methodology are anticipated. The only future adjustments currently anticipated would arise from fluctuations in activity within the Adaptation Fund Trust Fund itself; the assumption for fiscal year 2022 budgeting purposes had been that activity would remain stable. The Manager of the secretariat also provided a clarification with respect to the trustee's proposed 2021 budget revision, confirming that such revisions, which were essentially subject to Board approval, had been approved in the past.

23. During the discussion, while support was expressed for extending the practice of holding virtual meetings beyond the end of the pandemic, concerns were also raised regarding virtual meetings, on the basis that they presented certain difficulties for some members.

24. The Ethics and Finance Committee recommended that the Adaptation Fund Board (the Board), having considered the information set out in document AFB/EFC.27/6:

(a) Approve, from the resources available in the Adaptation Fund Trust Fund:

(i) The proposed budget of US\$ 6,678,575 to cover the costs of the operations of the Board and the Adaptation Fund Board secretariat over the period from 1 July 2021 to 30 June 2022, comprising US\$ 5,313,075 for secretariat administrative services (the main secretariat budget), US\$ 608,550 for accreditation services and US\$ 756,950 for the Readiness Programme;

(ii) The proposed revised budget of US\$ 1,300,829 to cover the costs of the operations of the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) and its secretariat for fiscal year 2022, from 1 July 2021 to 30 June 2022, comprising US\$ 689,112 for the management component and US\$ 611,717 for the evaluation component. (The resulting increase of US\$ 113,758 over the originally approved AF-TERG budget for fiscal year 2022 consists of a carry-over of US\$ 52,739 from fiscal year 2021, and a net increase of US\$ 61,019 for fiscal year 2022 that requires an additional transfer from the Trust Fund.);

(iii) The proposed budget of US\$ 1,293,049 to cover the costs of the operations of the AF-TERG and its secretariat for fiscal year 2023, from 1 July 2022 to 30 June 2023, comprising US\$ 689,705 for the management component and US\$ 603,344 for the evaluation component;

(iv) The proposed increase of US\$ 142,000 in the trustee budget for fiscal year 2021;

(v) The proposed budget of US\$ 861,000 for the trustee services to be provided to the Adaptation Fund during fiscal year 2022;

(b) Authorize the trustee to transfer the amounts in subparagraphs (a) (i), (ii) and (iii) above to the respective secretariats and the amounts in subparagraphs (a) (iv) and (v) above to the trustee.

(Recommendation EFC.27/2)

Agenda Item 5: Report of the Chair of the Technical Evaluation Reference Group

25. The Chair of the AF-TERG drew attention to the update on the work of the AF-TERG (AFB/EFC/.27/Inf.1) and provide a brief overview of the AF-TERG and its work before moving on to the four subitems being presented by the AF-TERG for the Board's consideration.

a) *AF-TERG progress update on the review and revision of the evaluation framework*

26. Introducing the subitem, the Chair recalled that the review and revision of the Fund's evaluation framework was part of the AF-TERG strategy and work programme approved by the Board (decision B.35.a-35.b/29).

27. The Chair of the AF-TERG presented the progress report of the AF-TERG on the review and revision of the Fund's evaluation framework (AFB/EFC/.27/7), highlighting the conclusion that the evaluation framework, which had been developed in 2012, required updating to reflect significant changes made within the Fund since then. The AF-TERG saw a need for an instrument that reflected the Fund's aspirations, set appropriate standards and was more responsive to the urgency of climate adaptation, and thus felt that the Fund would be better served by an evaluation policy, supported by operational guidance.

28. Members expressed support for the development of an evaluation policy but underscored the need for a smooth transition; simplicity, particularly in terms of reporting requirements; and consultation with both implementing entities and the secretariat during the policy development process.

29. One member also suggested that aspects of the Paris Agreement be taken into consideration to ensure that the Fund supported monitoring and evaluation by partner countries, such as the global goal on adaptation, which due to its complexity and lack of specific related metrics required new and innovate monitoring and evaluation approaches. The global stocktake and Parties' biennial transparency reports should also be considered as Parties would need to be prepared for those.

30. Responding to the comments, the Chair of the AF-TERG assured members that their concerns were already being taken into consideration by the AF-TERG in its development of a new evaluation instrument. She also confirmed that the AF-TERG budget covered the related work, but noted that there would eventually be additional cost implications for the Fund, the implementing entities and other stakeholders, although it was too early to determine what those would be. In terms of alignment with the Paris Agreement, the AF-TERG would bear that in mind going forward.

31. On the last point, the Manager of the secretariat noted that in addition to having implications for evaluation, incorporating Paris Agreement mandates such as the global goal on adaptation would cover the aspects of results-setting and monitoring, both of which were done by the secretariat and reported on in the annual performance report. For that reason, the secretariat would welcome an eventual broader discussion at the Board level on aligning the Fund's results with new developments under the Paris Agreement.

32. The Ethics and Finance Committee (EFC) recommended that the Adaptation Fund Board (the Board), having considered the information set out in annex 1 to document AFB/EFC.27/7:

- (a) Request the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG), in consultation with the Adaptation Fund Board secretariat, to prepare a draft evaluation policy for the Adaptation Fund that would replace the current evaluation framework;
- (b) Request the AF-TERG to submit and present to the EFC, at its twenty-eighth meeting, the draft evaluation policy for the Board's consideration.

(Recommendation EFC.27/3)

b) AF-TERG draft emerging findings of the mid-term review of the medium-term strategy

33. Introducing the subitem, the Chair recalled that the Board had approved the implementation plan for the medium-term strategy (MTS) in March 2018 and had later approved, as part of the AF-TERG strategy and work programme, a mid-term review of the MTS and its implementation plan in fiscal year 2021 by the AF-TERG.

34. The representative of the AF-TERG provided an overview of the findings and areas for further discussion emerging from the first phase of the mid-term review of the medium-term strategy (AFB/EFC.27/Inf.2), noting that the presentation was solely for the information of the Board as work was still ongoing.

35. The Ethics and Finance Committee took note of the report set out in document AFB/EFC.27/Inf.2.

c) AF-TERG synthesis of Adaptation Fund final evaluations

36. The Chair of the AF-TERG introduced document AFB/EFC.27/8 containing the 2020 synthesis of Adaptation Fund final evaluations, the first of a planned series of annual evaluation syntheses to be produced by the AF-TERG under its approved strategy and work programme. She highlighted the key message of the report, which was that the quality of evaluation reports was good but could be improved. The review had resulted in five recommendations, but she cautioned that the recommendations were specifically applicable to the cohort of 17 evaluation reports reviewed.

37. The Ethics and Finance Committee recommended that the Adaptation Fund Board (the Board):

- (a) Take note of the executive summary of the synthesis of Adaptation Fund final evaluations and five recommendations for the cohort of 17 evaluation reports analysed, as presented in document AFB/EFC.27/8;

(b) Request the Adaptation Fund Board secretariat and the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) to consider the five recommendations when updating relevant frameworks/policies, templates and guidance and when planning and implementing evaluations;

(c) Request the secretariat, in communication with the AF-TERG as necessary, to prepare a management response to the synthesis of Adaptation Fund final evaluations, for the consideration of the Board during the intersessional period between its thirty-sixth and thirty-seventh meetings.

(Recommendation EFC.27/4)

d) AF-TERG advisory groups

38. Introducing the subitem, the Chair recalled that, at the second session of its thirty-fifth meeting, the Board had requested the AF-TERG to prepare, for the consideration of the EFC at its twenty-seventh meeting, the necessary information on the objectives, composition and membership of the project working groups, the roles and responsibilities of their members and the timeframe and time commitment, and to present options for the possible participation of members of the Board in the work of the project working groups. He also drew attention to the fact that the AF-TERG had opted to designate the project working groups as “advisory groups” to better reflect their nature.

39. The Chair of the AF-TERG presented the information on the topic, as set out in document AFB/EFC.27/9/Rev.1.

40. Following her presentation, she addressed a number of questions and comments from members. While there was a risk that a particular group would not be interested in participating in the advisory groups, the AF-TERG was developing the terms of reference for the groups collaboratively in the hope of sparking interest, and had already seen good evidence of interest in response to its surveys, workshops and virtual discussions. Turning to the question of the invitation to participate in the groups, she explained that the intention had been for the Chair of the Board to issue the invitation in the interest of protocol and transparency, but acknowledged that it could also be sent by the secretariat. The AF-TERG would revise the document accordingly and circulate it to the EFC as document AFB/EFC.27/9/Rev.2. Finally, she reiterated her belief that the advisory groups would be a very useful way of getting people together and her hope that the Board members would be willing to participate.

41. The Ethics and Finance Committee recommended that the Adaptation Fund Board (the Board):

(a) Acknowledge and take note of the additional information provided by the Technical Evaluation Reference Group of the Adaptation Fund, on objectives, composition and membership of the advisory groups, roles and responsibilities, timeframe and time commitments, as presented in document AF/EFC.27/9/Rev.2, on Board participation in advisory groups;

(b) Encourage any member wishing to participate in advisory groups, in an individual/non-representative capacity and on a voluntary basis, to consider the following in making their decision on participation: the required time commitment, their interest in the topic and any perceived or real conflict of interest.

(Recommendation EFC.27/5)

Agenda Item 6: Report on project inception delays and proposed options

42. The representative of the secretariat presented a report on project inception delays and proposed options (AFB/EFC.27/3), prepared by the secretariat pursuant to decision B.32/35. In particular, he drew attention to the four options set out in the document for addressing inception delays over the long term.

43. During the ensuing discussion, general support was expressed for option 2, allowing for a maximum inception delay extension of 12 months, possibly in combination with option 4, which provided for a study by the secretariat on options for project suspension or cancellation. It was also suggested that a procedure was needed for situations where an entity requested an extension of more than 12 months.

44. The Ethics and Finance Committee recommended that the Adaptation Fund Board (the Board), having considered the options for addressing project inception delays set out in document AFB/EFC.27/3:

- (a) Approve options 2 and 4, as described in document AFB/EFC.27/3, for addressing project and programme inception delays;
- (b) Grant a maximum extension of 12 months for the inception of projects and programmes, subject to their compliance with the requirements under option 2;
- (c) Require any implementing entity whose project or programme experiences, due to exceptional circumstances, a significant delay in inception (exceeding 12 months from the standard inception target of six months from the first cash transfer) to submit to the Board, through the Adaptation Fund Board secretariat, a “Request for revision of the project implementation schedule, including a revised inception date” for intersessional consideration;
- (d) Request the secretariat to communicate to implementing entities the monitoring requirement(s) under option 2.

(Recommendation EFC.27/6)

Agenda Item 7: Update on the resource mobilization strategy and action plan

45. The representative of the secretariat provided an update on the Fund’s resource mobilization activities since the approval of the resource mobilization strategy in 2017.

46. Subsequently, responding to comments and questions from members, she confirmed that the secretariat expected to present a new resource mobilization strategy at the thirty-seventh meeting of the Board, and said that there were line items in the budget to support that expectation. The four-year term for the new strategy was in line with the term of the first strategy, which had covered the period 2017–2020. She also acknowledged a comment regarding the pledge from Qatar, the first-ever contribution from a developing country, and concurred with the hope that it marked the beginning of a trend.

47. The Manager of the secretariat, with input from the representative of the trustee, confirmed that the share of proceeds from CERs represented only the CERs in the Clean Development Mechanism (CDM) registry. While the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) had decided that the Fund would receive a share of proceeds from activities under Article 6, paragraph 4, of the Paris Agreement, it remained to be established how that would be operationalized.

48. The Ethics and Finance Committee recommended that the Adaptation Fund Board (the Board) request the Adaptation Fund Board secretariat, in consultation with Resource Mobilization Task Force, to prepare a draft resource mobilization strategy for the period 2021–2024 and a draft resource mobilization action plan and present them to the Board for its consideration at its thirty-seventh meeting.

(Recommendation EFC.27/7)

Agenda Item 8: Classification of implementing entity applicants as regional implementing entities

49. The representative of the secretariat presented the information set out in document AFB/EFC.27/11. Following his presentation, the Vice-Chair recalled that a confidential annex to the document had been sent to the Board members by email ahead of the current meeting.
50. A brief discussion ensued during which clarifications were provided by the representative of the secretariat in response to comments from members.
51. The Ethics and Finance Committee recommended that the Adaptation Fund Board:
- (a) Approve the review process for certified self-assessment for the determination of whether an implementing entity applicant is eligible to apply for accreditation as a regional implementing entity, as proposed in document AFB/EFC.27/11, and the certified self-assessment form set out in annex I to the document;
 - (b) Endorse the proposed definition of regional implementing entity as presented in paragraph 15 of document AFB/EFC.27/11.

(Recommendation EFC.27/8)

Agenda Item 9: Other matters

Fiduciary issues related to the United Nations Development Programme

52. As he had declared a potential conflict of interest in connection with matters related to UNDP, Mr. Ter-Zakaryan was placed in a waiting room for the duration of the Board's consideration of this item.
53. Introducing the matter, a member said that, following allegations of financial misconduct in some of its projects, UNDP had conducted audit of its portfolio of project implemented for the Global Environment Facility (GEF). The audit had generated recommendations for action by UNDP at both the institutional and project level. The GEF Council had discussed the matter at its meeting in December 2020 and had requested UNDP to implement the audit recommendations and to regularly report back to the GEF Council. As the issue appeared to be related to UNDP structures and procedures rather than to GEF, the Green Climate Fund (GCF) board had also taken up the issue, and had asked UNDP to ensure that the recommendations were implemented and to report back. The GCF board had also ordered an independent audit of the UNDP-implemented GCF portfolio; that audit was not yet complete.
54. The representative of the secretariat confirmed that UNDP was an important partner for the Adaptation Fund, implementing 28 projects, 13 of which were already closed. The secretariat normally attended the GEF Council meetings as an observer and had been following the situation since the issue was first raised. It had conducted an initial assessment of the Fund's portfolio and had not found any similar fiduciary issues, nor did the report issued by the

UNDP Office of Audit and Investigations identify any Adaptation Fund projects or raise any other fiduciary issues. It was worth noting, however, that the Fund's standard project legal agreement required implementing entities to submit a final audited financial statement of the implementing entity grant account including net investment income earned, prepared by an independent auditor or evaluation body as part of project closure, and that due to its internal arrangements, UNDP had been unable to submit the required statements at the individual project level and had only submitted a statement for its entire portfolio. The secretariat was working with UNDP to find a way to address this non-compliance with the operational policy and guidelines. Finally, while the secretariat had been in contact with both the GEF and the GCF informally on the matter, there had been no formal coordination among the entities.

55. Responding to a comment from a member regarding the comparability of fiduciary standards of the GEF, the GCF and the Fund, the representative of the secretariat explained that the standards were broadly similar. Notably, the audited statement report required on project closure was provided for in the agreement between the implementing entity and the Adaptation Fund Board and was to be submitted to the Board secretariat, allowing for Board oversight of any fiduciary issues that might arise. The Adaptation Fund also required annual project performance reports, which included sections on finance and procurement, providing another opportunity to identify potential fiduciary issues.

56. The Ethics and Finance Committee recommended that the Adaptation Fund Board request the Adaptation Fund Board secretariat:

- (a) To coordinate with the secretariats of the Green Climate Fund and the Global Environment Facility regarding fiduciary issues associated with the projects implemented by the United Nations Development Programme;
- (b) To provide an update on any implications of the fiduciary issues referred to under subparagraph (a) above for the portfolio of the Adaptation Fund to the EFC at its twenty-eighth meeting.

(Recommendation EFC.27/9)

Agenda Item 10: Adoption of the recommendations and report

57. The present report was prepared by the secretariat following the closure of the meeting and was adopted by the EFC intersessionally.

Agenda Item 11: Closure of the meeting

58. The meeting closed at 5:50 p.m. (Central European Time (UTC+1)) on 25 March 2021.

ANNEX I

Ethics and Finance Committee Twenty-seventh Meeting Bonn, Germany (held virtually), 24-25 March 2021

EFC members present in the meeting

Mr. Mohamed ZMERLI (Chair) (Tunisia, Africa)

Ms. Sylviane BILGISCHER (Vice-Chair) (Belgium, Annex I Parties)

Mr. Ibila DJIBRIL (Benin, Africa)

Ms. Ji Young CHOI (Republic of Korea, Asia-Pacific)

Ms. Sheyda Nematollahi SARVESTANI (Islamic Republic of Iran, Asia-Pacific)

Mr. Aram TER-ZAKARYAN (Armenia, Eastern Europe)

Ms. Yadira GONZALES COLUMBIE (Cuba, Latin America and the Caribbean)

Ms. Mariana KASPRZYK (Uruguay, Latin America and the Caribbean)

Ms. Eleonora COGO (Italy, Western Europe and Others)

Mr. Nilesh PRAKASH (Fiji, Small Island Developing States)

Mr. Idy NIANG (Senegal, Least Developed Countries)

Mr. Mattias BROMAN (Sweden, Annex I Parties)

Ms. Antonia FLÜCK (Switzerland, Annex I Parties)

Mr. Ali Waqas MALIK (Pakistan, Non-Annex I Parties)

Ms. Naima OUMOUSA (Morocco, Non-Annex I Parties)