

PERFORMANCE REVIEW OF THE INTERIM ARRANGEMENT OF THE ADAPTATION FUND

ADAPTATION FUND NGO NETWORK'S POSITION

Alpha Kaloga on behalf of the Adaptation Fund Network



Brief Summary

The findings of the performance review of the consultant should be considered and commented upon by the Adaptation Fund Board (AFB) intersessionally between the 17th and the 18th meeting of the Adaptation Fund Board. The performance review aims at inspecting the effectiveness and adequacy of the Adaptation Fund (AF) and its institutional arrangements¹ with the goal of providing the Conference of the Parties to the Kyoto Protocol (CMP) with concrete recommendations for an appropriate decision. The AF has two interim arrangements with the International Bank for Reconstruction & Development (IBRD) of the World Bank acting as Trustee and the Global Environmental Facility GEF providing the Secretariat service.

This document is a kind of policy paper that summarises the findings of the consultant as well as the comments made by the Trustee and the Secretariat thereupon. Except for the NGO's recommendations all information provided emanates from the review's document and its annexes. These recommendations are dedicated to the AFB members and should provide them with some key inputs which are in the view of the NGOs important for the future work of the Fund.

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The Federal Ministry
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Executive Summary

This document is a kind of policy paper that summarises the findings of the consultant as well as the comments made by the Trustee and the Secretariat thereupon. Except for the NGO's recommendations all information provided emanates from the review's document and its annexes. These recommendations are dedicated to the AFB Board members and should provide them with some key inputs which are in the view of the NGOs important for the future work of the Fund.

The findings of the on performance review of the consultant should be considered and commented upon by the Adaptation Fund Board (AFB) intersessionally between the 17th and the 18th meeting of the Adaptation Fund Board. This performance review aims at inspecting the effectiveness and adequacy of the Adaptation Fund (AF)² and its institutional arrangements, with the goal of providing the CMP with concrete recommendations for an appropriate decision. The AF has two interim arrangements with the International Bank for Reconstruction & Development (IBRD) of the World Bank acting as Trustee and the GEF providing the Secretariat service.

First of all, it is important to mention that the review undertaken by the consultant is a desk-based one. In other words, the information used in it was those available to, or requested by the auditor, in addition to the information collected by the consultant during his visit to the GEF Secretariat and the Trustee office. In addition, some compliance tests were carried out to safeguard whether the policies and procedures agreed between the CMP and the Secretariat was adequately implemented. Also furthermore regarding the Trustee, a reliance on the control framework was undertaken to complement the single audit.

However, this review constitutes neither an external nor an internal audit, as these are international applied. To some extent, the review was a limited one, because it did not encompass areas such as the operation of the GEF activities. Also the figures presented in this review have not being checked against source documents and the projects so far approved have also not been reviewed.

² Since the AF is almost one and half year operational, it is quite to early to review the Fund itself. Therefore this first review is focussed particularly on its Review of the Interim Arrangement of Adaptation Fund arrangements

1 Background on the Secretariat arrangement

1.1 Background to the institutional arrangements between the CMP and GEF

Upon invitation of the Parties to the CMP, the GEF provides the Secretariat services to the AFB. A MoU between the CMP and the Council of the Global Environment Facility regarding the services has been signed³ in order to regulate the service to be provided by the GEF. However, this MoU as a kind of interim Gentleman's Agreement is not binding, but rather describes the Secretariat services that the GEF should provide to the AFB. It was also decided that the institutional arrangement agreed in the MoU would be subject of review to assess the effectiveness and efficiency of the service provided.

1.2 Review's finding on the Secretariat services provided by the GEF

1. While the consultant, in its findings, attributed to the Secretariat an effective and efficient performance in fulfilling its core duties and responsibilities, it noticed and listed some operational improvements that are worth considering in the future.
2. Along this line, the review acknowledges that the current arrangement with the GEF has definitely helped the AF to rapidly become operational. Nevertheless, with the current level of development and maturity of the AFB⁴, the agreement seems to be elapsed. The consultant therefore recommends following:
3. Firstly, to scale up the number of the AF Secretariat's dedicated staff. The review explicitly notices that the Secretariat has a limited dedicated staff of 6- 7⁵ persons. This staff is not able to cover its core business such as the review of project proposals without external assistance. The AF is assisted by external staff for the review of its project proposals, which actually belongs to the core activities of any international funds to be undertaken. This situation leads to an undue reliance of the AF on the chargeable services of GEF own's staff, which in turn are not under the supervision of the dedicated staff of the AF. This staff is mainly tied up in GEF projects, which have paramount position in their contracts. Therefore, given the now growing project

³ http://adaptation-fund.org/system/files/AFB.B.2.6_Draft_Legal_Arrangements_for_the_Adaptation_Fund_SecretariatSecretariatSecretariatSecretariatSecretariatSecretariat.pdf

⁴ Thus, the review "in analogy to a baby that has grown to full term, it is now time for its natural next phase, that of its full birth See the Review of the Interim Arrangement of Adaptation Fund: <http://adaptation-fund.org/content/SecretariatSecretariatSecretariatSecretariatSecretariatSecretariatSecretariatSecretariat-and-TrusteeTrusteeTrustees-performance-review> p.5

⁵ The Secretariat consists of 3 are Programme Managers, 1 Programme Assistant. , 1 Short Term Temporary, 1 Junior Professional Associate.

pipelines, the review stresses that it is as vital for the AF to have its own dedicated staff for its basic work.

4. Secondly, with the increasing development of the AF in terms of geographic scope and operationalization size, the review acknowledged that the AF is mature enough to act as a stand-alone body with its own managerial responsibility. For instance, the lack of the independent executive management for the AF constrains the “AFB of Directors” -by embodying the executive management tasks of the Fund- to become the executive body that administers the fund. This situation, however, conflicts with the in country full time commitment of the AFB of Directors. This practice has prevented the AF from ensuring the continuous leadership essential for a growing and innovative organisation. In addition, this may not dovetail with GEF structure, but could to some extent generate some conflicts between the involved parties, rather than to work together.
5. Thirdly, the review suggests because of the experience gained by the AF Secretariat in reviewing project, allowing the Secretariat to endorse (rather than rejecting) the project concepts. In doing so, the Secretariat should forward to the AF for final approval only fully developed project and programmes for final approval ore those projects concepts to be rejected.
6. Fourthly, in the interest of transparency, protection and independence, the review recommends an enhanced control of the AF Secretariat over its core activities such as the CER’s monetization as well as over the implementation of the project:
 - i) To ensure the effective and adequate work of the Implementing Entities (IE) as well as in order to protect the AF from any risks to its reputation, each project disbursement should be subject of evaluation of the implementation IE. This would ensure that all costs are verifiable against concrete supplies of goods and services in order to ensure that the upstream agreed procurement in the accreditation policy are truly implemented.
 - ii) The review also recommends an enhanced oversight role of the Secretariat over the Trustee operations. The Secretariat should ensure that the of the AF’s shared of the proceeds of CER’s from CDM project activities are entire, precise and obtained on time. This should enable the Secretariat to reconcile the amount sold with those held in the account. This is standard practice applied by all funds, when their resources are outsourced to a third Party.

Accordingly the review proposes two options to the CMP⁶ for consideration, as following: Both following options have financial implications that the CMP should also bear in mind during its deliberation.

7. **The first option** assumes that the AF takes advantage of the Legal Capacity conferred by the German government to the AF, with the immunities privileges and logistics opportunities this offers. The relocation of the AF Secretariat to Bonn does, however, require an independence institutional structure, which will surely improve its control over its work and render the AF more accountable for its enactment. In doing so, this could also strengthen the link between the AF and the UNFCCC Secretariat based in Bonn, by enabling the use of the services of the UNFCCC in its

⁶ See Review p. 34

day business.

8. The **second option** also suggests having an independent Secretariat of the AF within the GEF premises. In this case the AF could make use of the IBRD organizational and physical structure, but as a stand-alone body. This option is to some extent similar to the first one, with the difference that it would help to avoid the relocation of the secretariat and strengthening its independency vis a vis the GEF. Both options would enable the Secretariat to possess the managerial allowance and dedicated staffs to fulfill its works independently.

1.3 Comment of the Secretariat on the review findings of the consultant

9. The following passage is a summary of the comments made by the GEF on both the review's findings and the recommendations of the consultant. While the GEF welcomes the fact that no noteworthy deficiency or concerns were raised by the review regarding its Secretariat service so far provided by the secretariat to the AF, it however expressed concern about the negative conclusion of the review regarding the continuation of its Secretariat service.
10. Specifically, the GEF deplores the review's recommendation regarding the Future Operational Improvement Recommendations, which in its view is based on a weak argument of maturity regarding the geographical scope and size of the AF. These arguments are in its view not well-founded enough to do away with the needs of having an independent Secretariat. According to the GEF the suggested options, as elucidated above, is beyond the elaborated Terms of Reference for the current review and is a result of a misinterpretation of the role of both the Secretariat and the Trustee.
11. The Trustee is actually accountable to the AFB according to the current arrangement. So, having the Secretariat with an oversight function over the Trustee will undermine the existing check of balances by creating a conflict of interest between both institutions in achieving their mandates.
12. However, the GEF remains open to set up for the independent confirmation of: (i) the number of CERs due to the Adaptation Fund from the Clean Development Mechanism in the Share of Proceeds account; (ii) the number actually sold; and (iii) the value credited to the Adaptation Trust Fund.
13. Regarding the adequacy of Planning and Implementation Process of projects funded by the AF, the Secretariat makes clear that having the Secretariat involved in the day-to-day activities of the projects. This is micromanagement and beyond the assigned tasks of the secretariat and would overburden the limited staff in its disposal. Thus, it advises against the involvement of the Secretariat in project disbursement and procurement. Furthermore the Secretariat points out that the IEs are directly accountable to the Board and bear full financial and monitoring responsibility, reporting and financial responsibility as per accreditation. The IEs are also tasked per accreditation with onsite project and program monitoring. In addition, the risk management systems of IEs were also subject of review during the accreditation. In contrast, the Secretariat is only tasked to review the overall health of the project portfolio based on the report document that IEs annually send to the AF. However, GEF calls for a random review of the annual report of the implementation...

14. Furthermore, the recommendation of the consultant to have an independent Secretariat as a stand-alone body is also not shared by GEF. GEF is concerned about the findings that the division of labour between the AF and the GEF Secretariat is not clearly demarcated. In its view, the link between the GEF and the AF is to ensure complementary and synergy in the interest of the recipient country. In the case that AF Secretariat would have to renounce the services of the GEF it should have to hire 10 additional staff at an additional cost of \$1.8 million a year. In addition GEF accuses the review of assuming with no evidence that office space and other facilities will be provided free of cost in Bonn.
15. Lastly the GEF supports the suggestion to enable the AF Secretariat to endorse project concepts. In its view this could help the AF to save sufficient time during its board meeting.

2 Background on the Trustee:

According to the Term of service between the CMP and the IBRD (World Bank) acting as the Trustee of the AF for an interim period, the Trustee has the following duties and responsibilities:

- i) *Monetization of the AF's Certified Emission Reduction (CER) certificates*: The guideline of the Monetization is currently anchored in the IBRD's CER Monetization Programme Guidelines from 2008. This guideline gives directives to the Trustee regarding the cost effectiveness and predictability of the revenue flow by limiting financial risks and monetizing the share of proceeds from the CERs.
- ii) *Trust fund management, financial management of the resources of the Trust Fund; investment management and accounting and financial reporting*: The IBRD⁷ manages the monetized liquid assets of the AF in a single, co-mingled investment pool with the goal of generating various benefits for its trust fund participants.

16. In reviewing the Trustee arrangement the consultant has appraised the Trustee Performance under five aspects as follows:

2.1 Review's finding on the Trustee services

17. **Legal arrangement**: There is the lack of clarity or warranty with respect to the liability for any "losses incurred on the AF funds under the management of the IBRD". This is a moot point that needs to be considered, because the AF funds are co-mingled with other trust fund assets -within a pool of \$25 billion- held by the IBRD. It is therefore quite tricky to identify where the AF funds are and how much benefit they have yielded. This arrangement could be a source of dispute, should anything unpredictable happen. Secondly, it is nearly impossible to find out who will pay any losses that may be incurred, or whether the losses would be apportioned to the investees in that particular portfolio, and if so, how they would be apportioned among the investees including the Adaptation Fund. This situation might also lead, sooner or later, to a legal dispute should any unforeseen event occur. Furthermore the Term of the Service between the CMP and the IBRD is quite silent on the "risk appetite"⁸ as per the client's instructions at the outset and the periodic reporting and re-evaluation of the investment strategy with the client⁹. The review finds no documents related to risk exposure and investment, although it was recorded that the IBRD has allegedly presented a strategic asset allocation to the board, which was approved and then later altered under advice.
18. Since the IBRD is not accountable for any negative returns, the review calls for an involvement of the AFB in the IBRD's investment strategy agreement process. Therefore the Review recommends that the IBRD makes a quarterly report on the investment and management portfolio for consideration at the

⁷ Actually it is the IBRD's Multilateral Trusteeship and Innovative Financing Concessional Finance and Global Partnerships (CFP) Department, who manages the resources of the AF.

⁸ Risk appetite, at the organisational level, is the amount of risk exposure, or potential adverse impact from an event, that the organisation is willing to accept/retain. Once the risk appetite threshold has been breached, risk management treatments and business controls are implemented to bring the exposure level back within the accepted range.

⁹ See Review page 35

AFB meeting **Cost effectiveness of the administrative service** The absence of a procurement process for the comparison of both CERs Monetization and Investment Management at the inauguration of the AF allowed the Trustee to only compare the cost charged to the AF for other services as follows:

(i) With respect to the **Travel Cost**, it was noticed that three WB staffs (CFP, Legal & Capital Markets) used to attend the AFB meeting. The review recommends that the Trustee restricts the number of its staff members attending the AF to one, in order to save travel costs.

(ii) Regarding the **cost effectiveness of the Management of the CERs**, it is mentioned in Term of Service that the Trustee should administer sales of CERs under the *instructions, direction and guidance of the Adaptation Fund Board*.¹⁰ The review found out that the monetization of the CERs has been fulfilled in an efficient manner and costs resulting from the trading expenses and staff are evident and confirmable by means of source documentation.

19. However, the consultant noticed some limitations in the period report of the management of AF Trust Account. He therefore suggests disclosing some additional aspects as follows:
20. The consultant pleads for a detailed **investment management report that is adequate and effective**. It argues that although the reporting of the CERs monetization is all-embracing and wide-ranging, there is a lack of information with respect to the *strategic asset* allocation of the resultant cash proceeds (incl. donations) by instrument counterparty and tenor¹¹. This permits the Trustee to not inform the AF on the endpoint and make-up of its *strategic asset allocation*. This practice is quite questionable, because the *strategic asset allocation* is critical and provides information on the investment profile that helps to assess the risk associated with the counterparty financial operation and interest rate. On the other hand, the AF has not been adequately informed on the magnitude of the scheme set up within the IBRD to enable the exemption of its portfolio from losses resulting from unrestricted movements of capital. Regarding this particular finding the review recognises that it is sensible to disclose information about counterparties and that this is a common practice in all international funds. However it mentions that it is at the same time essential to assess whether the credit rating is in conformity with the risk rating allowed at each tranche.
21. In accordance with the findings elucidated above, regardless of the fact that the review has detected no urgent issues that needs to be swiftly addressed, the review suggests some operational amendments as following:
- (i) To insert more information on the credit risk and profile of the AF liquid assets in the management reporting scheme of the Trustee. This would help to address the difficulties in assessing which counterparty the AF fund is held with.
- (ii) To seek clarification from, or agreement with, the IBRD on where the AF Funds are. This is important, because it is at present quite impossible to find out where the co-mingled AF funds are amongst other funds held by the IBRD.
- (iii) The review recommends, in order to avoid any settlement of dispute should

¹⁰ Ref FCCC/KP/CMP/2008/11/Add.2 pursuant to paragraphs 24, 25, 26, 27 and 28

¹¹ See Review page 38

any unforeseen event happen, that the AF should explore further ways to deal with any losses incurred on the AF funds under the management of the IBRD.

2.2 Comment of the Trustee on the review findings:

22. Although the Trustee welcomes the conclusion of the review, that it has fulfilled its task in an efficient manner and there are no pressing issues advising the AFB to modify the current arrangements, it is, however, concerned about the insufficient time allocated for the review. This has led to a misunderstanding of the scope and range of the review by the consultant.
23. According to the Trustee, the review contains critical recommendations regarding the continuation of the current institutional arrangements. The implementation of the recommendations requires an in-depth consultation with the Secretariat and the Trustee as well as an amendment of the current Term of Service (ToS) between the CMP and the Trustee. For example, the review's recommendation to give the Secretariat an oversight function over the Trustee is regarded by the Trustee as problematic. This could collide with the ToS, in which it is stated that the Trustee is only accountable to the AF. On the other hand, this might suggest that there could be a conflict of interest between the AF Secretariat and the Trustee, which are both hosted by the World Bank. The Trustee points out that it is subject to robust control and risk management practices and therefore questions the appropriateness of having the Secretariat in an oversight role over the Trustee.
24. Going forward however, the Trustee favours setting up a procedure that verifies whether the CERs held by the Trustee in the share of proceeds of the CDM for the AF are completely accurate and transferred on time. Yet to implement this, certain regulations need to be set up, because so far this task is covered neither by the Trustee nor by the Secretariat.

In addition, the Trustee regrets the review's finding regarding the lack of detailed reporting of investment management, which in its view is based on a misunderstanding of the role of the Trustee management service. According to the Trustee, some of this information on the management reporting service is too sensitive to be disclosed. In addition, the Trustee policies and procedures for the investment of trust funds administered by the World Bank stipulate that the IBRD should "*separate the investment assets of trust funds into investment tranches with different investment objectives, investment horizons and risk tolerance, based on the nature of the cash flows in the trust fund*"¹². Nevertheless, the objective of these policies is to enhance the availability of the liquid assets. The AF pool benefits from the "well established" system of the World Bank, which enables it to make use of a variety of investment strategies by the Trustee and to have the same investment guidelines as used in the Trustee own funds. This procedure is in line with the agreement between the Trustee and the CMP that requests the Trustee to invest the AF trust fund in accordance with the Trustee's policies. The Trustee is not averse to sharing information on its investment strategy with the AFB, nor to holding discussions as to the most suitable investment tranche based on cash flow for the AF.

25. Going forward, the Trustee emphasises once again as agreed in the ToS between the CMP and the Trustee the absence of warranty in case of a loss of

¹² Review document p.54

funding resulting from IBRD's counterparty. However it could be indebted in the case the loss incurred is due to a direct result of Bank's gross negligence or wilful misconduct from an IBRD's.

26. Furthermore, the Trustee regards the conclusion that the legal capacity conferred by the German government will enable the AF to have an independent Secretariat and to move to Bonn as ill unfounded, since the AF lacks a legal personality to employ staff and therefore could not be independent, Regarding the cost effectiveness, the Trustee welcomes the suggestion of the review to reduce travel costs by limiting the number of representatives to Adaptation Fund Board meetings.

3 NGO's Recommendation to the Review Process

After having assessed both the findings of the consultant on the adequacy and effectiveness of the current institutional arrangements and the comments made by both the Trustee and the Secretariat thereupon the NGOs which have been following the AF since its inception recommend that the AF Board members commenting upon the review consider the following points:

3.1 Institutional arrangement with the GEF providing the secretariat service:

- a) According to the review's recommendation in section 6i and the commitment made by the GEF in section 12 in its commentary: the AFB should enable the secretariat to be involved in the Trustee's operation with regard to the monetization of the AF's share of proceeds from the CDM project activities.

The agreement in Durban on the second commitment period of Kyoto provides no guarantee as to the predictability of the available amount of CERs for the period after 2012. Also, bearing in mind the increasing decline of the CER's price, this might prevent the AF from having enough resources to face up the growing demand by developing countries for the adaptation funds. Therefore, NGOs are recommended to make every effort to accrue the maximum benefits from the carbon market. This means, should there be no decision on a potential augmentation of the AF's share of proceeds that the Secretariat, on behalf of the AF Board, at least be allowed to build a close relationship with both the CDM Executive Board and the Trustee in charge of the monetization, so as to maximize benefits from its CERs. Accordingly, a process should be set up to ensure the independent confirmation of:

- i. the number of CERs due to the Adaptation Fund from the Clean Development Mechanism in the Share of Proceeds account;
- ii. the number of CERs actually sold; and
- iii. the value credited to the Adaptation Trust Fund.

This should ensure that the CERs available for the AF are complete, precise and delivered on time. In addition this would enable the Secretariat to reconcile the amount of CERs sold with those held in the AF's account. This recommendation does not directly imply that the Secretariat should have an oversight function over the Trustee, but rather that it should be encouraged to participate in the monetization process, as is standard practice applied in all international funds when their resources are outsourced to a third Party. Since neither the Trustee nor the Secretariat is in charge of the task of working with the CDM's Executive Committee regarding the share of proceeds of the AF CERs, the secretariat could play a pivotal role in the procedure to be set up, as proposed above.

- b) To enable the secretariat -as recommended in section 5 and 12 of this document- to endorse (but not to reject) the project concepts submitted to the AF.
- c) *In doing so, the AFB could save significant time, which could be better allocated to more strategic issues related to the AF. Since this would give the secretariat a strong role in the project approval process, it would be crucial to scale up the AF secretariat's staff so that the review process could be solely undertaken by AF dedicated*

staff and not peer reviewed by the GEF staff as currently practised. To have an independent Secretariat as a stand-alone body within the GEF premises. This should be lead by a Head of Secretariat responsible for the AF Secretariat staff and accountable to the AF, as proposed in option 2 of the review's recommendation. NGOs following the AF have noticed that the institutional arrangement with GEF has helped the fledgling AF to grow from scratch to become a fully operational institution. However the AF is now sufficiently operational to act as a stand-alone body with its own managerial responsibility. This option would help avoid the expensive relocation to Bonn of the AF secretariat, and at the same time strengthen the independence of the AF Secretariat vis a vis the GEF. In doing so, the Board should:

- i. Provide the secretariat with the minimum dedicated staff to be able to fulfil its core responsibility such as the review of project proposals it has received.
- ii. Provide the Secretariat with a Senior Executive manager, solely accountable to the AFB.

This would allow, in contrast to the current set-up, for an effective, focussed and continuous leadership, worthy of a growing organisation such as the AF. This is a cost effective option. In addition it would enable the AF secretariat to use the services of the GEF Secretariat, should this be necessary. There is also, as the Trustee reminds us in its comment, a middle way: the AF is not legally empowered to employ people. So the AF needs to remain affiliated to an institution which is so empowered. Accordingly, should the AF Secretariat move to Bonn, its Secretariat staff could be contracted to the UNFCCC, whose salary rate is 14% higher than the IBRD rate.

- d) Regarding the adequacy of the planning and implementation process of projects funded by the AF, NGOs following the AF support the idea of not having the Secretariat involved in day-to-day project activities. This is micro-management, beyond the assigned tasks of the secretariat, and would overburden the limited staff available. The implementation of projects would be best left to the Implementing Entities as per Operational Policies and Guidelines and Accreditation. However, the Secretariat should be tasked with a random review of procurement practices of IE implementing projects on an annual basis.

3.2 Institutional arrangement with the IBRD acting as Trustee

After analysing the review's recommendation and the Trustee's comment upon the findings of the review, NGOs which have been following the AF since its inception recommended that the AFB takes into account the points listed below:

- a) **To request the Trustee to restrict the number of its staff attending the AFB meeting to one.**
- b) To put in place a procedure for checking the AF's share of proceeds from CDM project activities as held by the Trustee. This would ensure that the amount of CERs held is accurate, complete and transferred on time. Since this issue has not yet been addressed or regulated either in the MoU with the Secretariat or the ToS with the Trustee, **the proposed procedure should allow the secretariat to independently confirm:**

- i. the number of CERs due to the Adaptation Fund from the Clean Development Mechanism in the Share of Proceeds account;
 - ii. the number actually sold; and
 - iii. the value credited to the Adaptation Trust Fund as proposed in the NGO's recommendation.
- c) Bearing in mind the fact that there is no clear liability of the Trustee for any losses of funds the IBRD Trusteeship, and taking note of the silence on the risk exposure of the investments transacted by the Trustee, NGOs strongly recommend that the AF become more involved in the investment strategy of the Trustee.
- i. This could be carried out on the basis of risk exposure and investment procedure, which informs the AF through its secretariat about the investment strategy of the Trustee. This should help to avoid both a loss of funds and any possible legal disputes upstream. This does not imply an oversight role of the Secretariat over the Trustee, but rather should ensure a strong accountability by the AF for any losses incurred during the investment period.
 - ii. This would also address the issue relating to the lack of detailed investment-management reports. The above-mentioned procedures should give accurate information about the liquidity returns and ensure an even cash flow. This is in accordance with the readiness of the Trustee to share information on its investment strategy for the AF funds and to discuss the most suitable investment for each tranche with the AF members.

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