

## **SUBMISSION BY GREECE AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES**

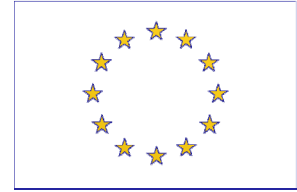
**This submission is supported by Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia and Serbia.**

**Athens, 26 March 2014**

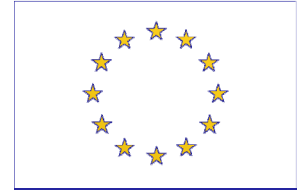
**Subject: Second review of the Adaptation Fund**

With reference to Decision 2/CMP.9 inviting Parties and other actors to submit their views on the 2<sup>nd</sup> review of the Adaptation Fund, based on the terms of reference annexed to the decision, the EU wishes to put forward the following submission for consideration during the implementation of the review:

1. The EU wishes to reiterate its high appreciation of the work of the Adaptation Fund, recognizing the fact that the overwhelming majority of voluntary financial contributions provided to the Fund so far, including the positive response to the fund raising target of the AF Board for additional contributions of 100 million USD by the end of 2013, have come from several EU Member States. The initial review of the Adaptation Fund was successfully concluded at CMP 8. The main operative reason for initiating the 2<sup>nd</sup> review already at CMP 9 was to get the review run in parallel with the 5th review of the Financial Mechanism of the Convention, which is expected to be concluded at COP 20. Thus, there is no need to repeat all the work done during the initial review, but rather to update the results as appropriate and look at challenges ahead.



2. The scope of the review, as outlined in the terms of reference, covers four main areas (provision of financial resources, lessons learned from the access modalities, the institutional linkages, and the institutional arrangements). CMP 9 also requested the secretariat, subject to the availability of financial resources, in collaboration with the AF Board secretariat, to prepare a technical paper based on the terms of reference, taking into account the deliberations and conclusions of SBI 40, for consideration by SBI 41 in December 2014. The EU regards this technical paper as a highly relevant input to the 2<sup>nd</sup> review. Therefore we want to focus this submission on issues that could be dealt with in this technical paper.
3. The technical paper could contain information on, i.e.
  - a) regarding the provision of financial resources
    - the implementation of paragraphs 8,9, and 10 in Decision 1/CMP.9 on the report of the AF Board, on the operationalization of decision 1/CMP.8 para 21 on a 2 % share of proceeds levied on the first international transfers of AAUs and ERUs for Art. 6 projects;
    - the implementation of the fund raising strategy of the AF board
    - the pipeline of projects expected from the different categories of implementing entities and the implication of the expected pipeline for resources available or required.
  - b) regarding lessons learned from the application of the access modalities of the AF
    - progress made in the accreditation of different categories of implementing entities;
    - the geographical/regional coverage of projects, including projects in the pipeline;
    - how access to Adaptation Fund funding is facilitated for LDCs/SIDS, including avenues to improve this in the future;
    - how securing environmental and social standards in the implementation of projects has been taken into consideration in the arrangements with the implementing entities;



- c) regarding institutional linkages and relations between the AF and other bodies under the Convention
- possible options for developing the role of the AF in the broader architecture for adaptation funding, particularly under the Convention (GCF, GEF and the LDCF/SCCF);
- d) regarding the institutional arrangements for the AF, in particular the arrangements with the interim secretariat and the interim trustee
- bearing in mind the conclusion of the recent initial review of the AF, that the institutional arrangements with the present interim secretariat and trustee were found quite satisfactory, to present options for smoothly transforming these into permanent arrangements.
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