



联合国



## 气候变化框架公约

Distr.  
GENERAL

FCCC/KP/CMP/2008/2  
20 November 2008

CHINESE  
Original: ENGLISH

作为《京都议定书》缔约方会议的  
《公约》缔约方会议  
第四届会议  
2008年12月1日至12日，波兹南  
临时议程项目8  
适应基金董事会的报告

### 适应基金董事会的报告

#### 适应基金董事会主席的说明 \*

#### 概 要

本报告是根据第1/CMP.3号决定编写的，该决定请适应基金董事会向作为《京都议定书》缔约方会议的《公约》缔约方会议的每届会议报告其活动情况，本报告涵盖从2008年3月至9月的时期。本报告提供了关于适应基金所获进展情况的资料，特别是在执行适应基金工作计划所列各项任务方面的进展情况，并酌情提出了建议《议定书》缔约方会议采取的行动。除其他外，本报告载有编写供《议定书》缔约方会议根据第1/CMP.3号决定核准的文件草案，以及适应基金董事会的文件、决定和行动，请《议定书》缔约方会议注意。

\* 本文件逾期提交是由于适应基金董事会第三次会议的时间安排。

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## 一、导 言

### A. 任 务

1. 缔约方会议第七届会议同意设立适应基金。<sup>1</sup> 作为《京都议定书》缔约方会议的《公约》缔约方会议(《议定书》缔约方会议)第三届会议决定, 适应基金的经营实体应为适应基金董事会, 配备秘书处和一名受托管理人为其提供服务。

2. 《议定书》缔约方会议第 1/CMP.3 号决定请适应基金董事会向《议定书》缔约方会议的每届会议报告其活动情况。《议定书》缔约方会议进一步请全球环境基金和作为适应基金受托管理人的世界银行在临时的基础上向适应基金董事会提供秘书处服务。

### B. 本说明的范围

3. 本报告提供了关于适应基金所获进展情况的资料, 特别是在履行适应基金工作计划所列各项任务方面的进展情况, 并酌情提出了建议《议定书》缔约方会议采取的行动。本报告涵盖 2008 年 3 月至 9 月的时期。

### C. 作为《京都议定书》缔约方会议的《公约》 缔约方会议可采取的行动

4. 《议定书》缔约方会议不妨注意本报告所载的资料, 并核准下列文件草案:
- (a) 根据第 1/CMP.3 号决定第 5(e)段编写的“适应基金董事会议事规则草案”, 载于附件一;
  - (b) 根据第 1/CMP.3 号决定第 5 段(j)和第 31 段编写的“适应基金秘书处的法律安排草案”, 包括作为《京都议定书》缔约方会议的《公约》缔约方会议与全球环境基金理事会关于向适应基金和适应基金董事会提供秘书处服务的谅解备忘录草案, 载于附件二;

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<sup>1</sup> 第 10/CP.7 号决定。

- (c) 根据第 1/CMP.3 号决定第 5 段(j)和第 31 段编写的“作为《京都议定书》缔约方会议的《公约》缔约方会议与国际复兴开发银行(世界银行)关于受托管理人向适应基金提供服务的法律安排草案”，包括国际复兴开发银行作为适应基金受托管理人提供服务的条款与条件草案，载于附件三；
- (d) 根据第 1/CMP.3 号决定第 5 段(a)编写的“适应基金战略优先事项、政策和指南草案”，载于附件四。

5. 《议定书》缔约方会议不妨审议并注意附件五所载的文件“偿还缔约方根据第 1/CMP.3 号决定第 27 段所作捐款”，并核准适应基金董事会建议的决定。

## 二、提请作为《京都议定书》缔约方会议的《公约》缔约方会议注意的适应基金董事会的决定或行动

6. 适应基金董事会请《议定书》缔约方会议注意在报告所述时期内根据第 1/CMP.3 号决定第 5 段(m)采取的关键的行动和决定：

- (a) **讨论业务政策和指南。**根据第 1/CMP.3 号决定第 5 段(b)，适应基金董事会已启动了关于具体业务政策和指南的讨论，包括方案编制指南及行政和财务管理指南，预期在 2008 年 12 月会议上最后完成这些政策和指南；
- (b) **制订标准，确保执行实体的能力。**根据第 1/CMP.3 号决定第 5 段(c)，将采用上文第 6 段(a)提到的业务政策和指南，在此基础上制定适应基金运作模式，确保执行实体有能力执行适应基金董事会制订的行政和财务管理指南；
- (c) **核证的排减量的货币化。**根据第 1/CMP.3 号决定第 5 段(k)，适应基金董事会预计，在《议定书》缔约方会议与受托管理人关于受托管理人向适应基金提供服务的协议最后完成之后，在现实可能的情况下在 2009 年第一季度尽早开始货币化方案。
- (d) **确定法律安排，使适应基金投入运作。**适应基金董事会同意，应当进一步审议赋予适应基金董事会某种法律地位问题，并决定委托进行一项可行性研究。认识到这种办法可能需要相当长的时间，董事会还在

考虑一种备选办法，通过在国家一级设立的和/或现有的法律实体提供信托风险管理，以便能够直接获得资源。为此目的，董事会同意为认证这些法律实体制定标准和指南，以便这些实体可在执行董事会核准的方案和项目中应用国际信托标准。

### 三、报告所述期间开展的工作

7. 适应基金董事会从设立以来共举行了 3 次会议，每次会议都是在报告所述时期内在德国波恩举行的(2008 年 3 月、6 月和 9 月)。会议议程和说明(包括关于议程项目的背景文件)及会议的详细报告可查阅适应基金网站。<sup>2</sup>

8. 以下各节叙述了董事会在报告所述期间开展的主要工作。

#### 1. 选举适应基金董事会主席和副主席

9. 根据第 1/CMP.3 号决定第 13 段，适应基金董事会第一次会议协商一致选举 Richard Muyungi 先生(坦桑尼亚联合共和国)和 Marita Sterinke 女士(德国)为适应基金董事会主席和副主席。在 Steinke 女士辞职以便在该国政府中担任新职之后，董事会第二次会议协商一致选举 Naoya Tsukamoto 先生(日本)为董事会副主席。

#### 2. 适应基金董事会 2008 年会议日历

10. 适应基金董事会成立大会于 2008 年 3 月 26 日至 28 日在波恩举行，董事会会在会议期间通过了 2008 年会议日历(见表 1)。在 6 月 16 日至 19 日在波恩举行的第二次会议上，董事会决定，需要再举行一次会议。

表 1. 适应基金董事会 2008 年会议日历

日期	地点
3 月 26 日至 28 日	德国波恩
6 月 16 日至 19 日	波恩
9 月 15 日至 18 日	波恩
12 月 15 日至 17 日	波恩

<sup>2</sup> <http://www.adaptation-fund.org>。

### 3. 适应基金董事会工作计划

11. 根据第 1/CMP.3 号决定第 5 段(m), 适应基金董事会负责《议定书》缔约方会议第四届会议之前阶段的董事会工作计划, 除其他外, 应包括第 1/CMP.3 号决定第 5 段(a), (b), (c), (e), (j)和(k)中确定的职能, 以供《议定书》缔约方会议通过或予以注意;

12. 董事会第一次会议通过了文件“适应基金董事会 2008 年会议计划草案”。董事会第二次会议通过了文件“适应基金董事会 2008 年工作计划草案”, 修订了第一次会议通过的会议计划。

### 4. 适应基金董事会和秘书处的预算

13. 在最初三次会议期间, 适应基金董事会审议并核准了截至 2008 年 12 月 31 日用以支持董事会和适应基金秘书处工作的资源。

### 5. 适应基金董事会的职能和责任

14. 适应基金董事会第二次会议通过了文件“适应基金董事会的职能和责任”, 载于附件四。

### 6. 适应基金董事会议事规则

15. 根据第 1/CMP.3 号决定第 5 段(e), 适应基金董事会负责制定和议定该决定所列议事规则之外的补充规则, 作为建议供《议定书》缔约方会议通过。

16. 按照其职能和责任, 董事会第三次会议商定了文件“适应基金董事会议事规则草案”, 并建议《议定书》缔约方会议第四届会议通过该文件。

### 7. 适应基金秘书处的职能和责任

17. 适应基金董事会第一届会议通过了文件“适应基金秘书处的职能和责任草案”, 载于附件七。

## 8. 适应基金秘书处的法律安排

18. 根据第 1/CMP.3 号决定第 5 段(j)适应基金董事会负责制定并核准秘书处服务的法律和行政安排草案，供《议定书》缔约方会议核准；

19. 董事会第二次会议核准了文件“适应基金秘书处的法律安排草案”，包括作为《京都议定书》缔约方会议的《公约》缔约方会议与全球环境基金关于向适应基金和适应基金董事会提供秘书处服务的谅解备忘录，并建议《议定书》缔约方会议第四届会议核准该文件。

## 9. 适应基金受托管理人的职能和责任

20. 适应基金董事会第三次会议开始讨论文件“适应基金受托管理人的职能和责任草案”。<sup>3</sup> 董事会商定在 2008 年 12 月会议上继续讨论这一问题。

## 10. 适应基金受托管理人的法律安排

21. 根据第 1/CMP.3 号决定第 5 段(j)，适应基金董事会负责制订并核准关于受托管理人的法律和行政安排草案，供《议定书》缔约方会议核准。

22. 董事会第三次会议核准了文件“作为《京都议定书》缔约方会议的《公约》缔约方会议与国际复兴开发银行(世界银行)关于受托管理人向适应基金提供的服务的法律安排草案”，并建议《议定书》缔约方会议第四届会议核准该文件。

## 11. 核证的排减量的货币化

23. 根据第 1/CMP.3 号决定第 5 段(k)，适应基金董事会负责将核证的排减量货币化，这些核证的排减量由清洁发展机制执行理事会发放并转送给适应基金，并应每年向《议定书》缔约方会议报告核证的排减量的货币化工作。

24. 在董事会第一次会议上，受邀请的受托管理人解释说：核证的排减量如何定价不确定，因为市场有限。截至 2008 年 3 月，仅发放了 1.3 亿个核证的排减量，

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<sup>3</sup> AFB/B.3/3, 可查阅 <[http://www.adaptation-fund.org/images/AFB.B.3.3\\_Draft\\_Role\\_and\\_Responsibilities\\_of\\_the\\_AF\\_Trustee.pdf](http://www.adaptation-fund.org/images/AFB.B.3.3_Draft_Role_and_Responsibilities_of_the_AF_Trustee.pdf)>.

而到 2012 年，可能发放的核证的排减量将达到 21 亿个。因此，估计到 2012 年清洁发展机制适应基金账户将共持有约 4,000 万个核证的排减量。受托管理人提议，一旦市场基础设施得到充分发展，即开始进行适应基金核证的排减量货币化工作。

25. 在董事会第二次会议上，受邀请的受托管理人介绍了文件“适应基金核证的排减量货币化问题”，<sup>4</sup> 并提出了一种将核证的排减量货币化的办法。讨论涉及许多领域，其中包括：董事会的职能；货币化方案的关键要求，包括确保可预计的收入流量，在优化收入的同时防范金融风险，提高透明度和成本效益；核证的排减量市场的新的和发展的性质；尽早开始货币化方案的必要性；以及核证的排减量的所有权等问题。还提出了是否应当如目前按第 1/CMP.3 号决定第 22 段可推论的那样，将受托管理人的职能和货币化的责任指定给一个单一的实体。

26. 董事会注意到关于核证的排减量货币化问题的报告。董事会注意到核证的排减量货币化的迫切性，并决定设立一个货币化委员会，在受邀请受托管理人的协助下，讨论并向董事会下一次会议提议加速核证的排减量货币化工作的可能备选办法。参见 2008 年 9 月 4 日举行的货币化委员会会议记录见附件八。

27. 董事会第三次会议商定，根据与第 1/CMP.3 号决定第 28 段相符的货币化问题指南，货币化方案应当在实际可行的情况下尽早开始，原则上在 2009 年第一季度内开始。董事会请受托管理人规划首场交易，由所有合格的买方参加，通过经销商按照市场清算价进行交易。理事会还要求受托管理人与货币化委员会磋商，在适应基金秘书处的支持下，为首场交易制定一项宣传战略，包括在《议定书》缔约方会议第四届会议期间举行一场记者招待会和问答会。

## 12. 与适应基金投入运作相关的法律问题

28. 适应基金董事会审议了各种备选办法，以符合第 1/CMP.3 号决定第 29 和第 30 段的规定，涉及合格缔约方和授权实体获得适应基金资金直接获得模式的运作问题。适应基金秘书处、受邀请受托管理人和《气候公约》秘书处委托编写了一份与该模式投入运作相关的法律问题的研究报告，以便为董事会的讨论提供资料。报告提出了下列备选办法：

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<sup>4</sup> <<http://www.adaptation-fund.org/images/AFBB2-9-Monetization.pdf>>



- (a) 保持现状；
- (b) 赋予适应基金董事会订立某些法律协定的法律能力；
- (c) 赋予适应基金董事会法律人格。

29. 在审议了这些备选办法之后，董事会原则上同意，赋予基金某种法律地位问题需要进一步审议，并决定在这方面委托进行一项可行性研究。

30. 认识到这种办法很可能需要相当长的时间，董事会决定与此同时考虑一种备选办法，为国家一级业已设立的和/或现有的法律实体提供信托风险管理监督，以便缔约方能够直接获得资源。为此目的，董事会决定为认证这些法律实体制定标准和指南，以便这些实体可在执行董事会核准的适应方案和项目中应用国际信托标准。

31. 请《议定书》缔约方会议注意上文第 29 段介绍的办法。

### 13. 适应基金的战略优先事项、政策和指南

32. 根据第 1/CMP.3 号决定第 5 段(a)，适应基金董事会第三次会议核准了文件“适应基金的战略优先事项、政策和指南草案”，并建议《议定书》缔约方会议第四届会议核准该文件。

### 14. 缔约方获得适应基金资源的临时业务政策和指南

33. 根据第 1/CMP.3 号决定第 5 段(b)，适应基金董事会第三次会议首次举行了有关文件“缔约方获得适应基金资源的临时业务政策和指南”的初步讨论<sup>5</sup>，该文件叙述了具体业务政策和指南，包括符合第 5/CMP.2 号决定规定的方案编制指南及行政和财务管理指南。董事会预期在 2008 年 12 月会议上继续这些讨论并完成这份文件。

### 15. 履行实体和执行实体的职能和责任

34. 第 1/CMP.3 号决定第 29 段规定，“合格的缔约方应能直接向适应基金董事

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<sup>5</sup> 可查阅 [http://www.adaptation-fund.org/images/AFB.B.3.8\\_Operational\\_Policies\\_and\\_Guidelines\\_08.26.08\\_-\\_revised.1.pdf](http://www.adaptation-fund.org/images/AFB.B.3.8_Operational_Policies_and_Guidelines_08.26.08_-_revised.1.pdf)

会提交项目提议，各国政府选定的能够执行适应基金供资项目的执行实体也可直接向适应基金董事会提议。”

35. 作为上文第 45 段所述规定的一部分，董事会第二次会议核准了文件“履行实体和执行实体的职能和责任草案”，但有一项谅解，即董事会商定便利法律实体直接获得适应基金的备选办法之后将重新审议这份文件。

#### 16. 偿还缔约方的捐款

36. 适应基金董事会第三次会议讨论了文件“偿还缔约方根据第 1/CMP.3 号决定第 27 段所作捐款”，并建议《议定书》缔约方会议第四届会议核准该文件。

#### 17. 设立适应基金董事会各委员会

37. 在适应基金董事会第二次会议上，主席分发了一份提议，其中载述了有关职权范围和运作模式草案，以便建立董事会各委员会。董事会欢迎主席根据第 1/CMP.3 号决定采取的主动行动。

38. 董事会决定，主席应在适应基金秘书处的协助下，就此事项与董事会成员和候补成员进行磋商，以期在董事会第三次会议上审议该事项。在第三次会议讨论了对这些委员会的需求并概述了这些委员会的职权范围之后，董事会决定将其决定推迟到下次会议做出。同时，业已设立的货币化和预算问题特设委员会将继续在与委员会相关的问题上协助董事会工作。

### 四、成就与挑战

39. 《议定书》缔约方会议第三届会议请适应基金董事会发展机制和基础提议，使适应基金得以投入运作。按照《议定书》缔约方会议的指示，董事会在争取完成这些任务方面取得了重大进展，董事会认为，在可用的短时间之内，董事会为适应基金确立了必要的体制基础设施，如果《议定书》缔约方会议第四届会议通过董事会的提议，可在 2009 年备好投入运作。

40. 董事会感谢澳大利亚、芬兰、法国、挪威、瑞士、大不列颠及北爱尔兰联合王国及时提供资助，感谢丹麦、法国、日本和联合国环境规划署最近认捐资助，

从而使得董事会能够迅速开始工作。

41. 董事会还承认适应基金秘书处、受邀请受托管理人及《气候公约》秘书处的支助。董事会愿感谢《气候公约》秘书处(目前为观察员)在适应基金投入运作方面发挥的至关重要的作用,感谢《气候公约》秘书处与适应基金秘书处和受邀请受托管理人合作,特别是其在与适应基金的设立和投入运作相关的法律方面提供援助。

### 1. 成 就

42. 适应基金董事会商定并提出了一个任务很重的 2008 年工作计划,核准了支持这项工作计划的预算,设立了一个委员会处理核证的排减量货币化问题,并为适应基金确立了基本的体制结构,其中包括:

- (a) 适应基金董事会、适应基金秘书处和受托管理人的职能和责任;
- (b) 适应基金董事会议事规则;
- (c) 适应基金秘书处的法律安排,包括作为《京都议定书》缔约方会议的《公约》缔约方会议与全球环境基金理事会关于向适应基金和适应基金董事会提供秘书处服务的谅解备忘录;
- (d) 作为《京都议定书》缔约方会议的《公约》缔约方会议与国际复兴开发银行(世界银行)关于受托管理人向适应基金提供服务的法律安排。

43. 为了提供资源,使发展中国家缔约方能够开展具体的适应活动,董事会还开展了关于基金投入运作方面的工作,商定了下列问题并采取了行动:

- (a) 与适应基金投入运作相关的法律问题;
- (b) 适应基金的战略优先事项、政策和指南;
- (c) 履行和执行实体的职能和责任;
- (d) 缔约方获得适应基金资源的业务政策和指南;
- (e) 核证的排减量的货币化。

44. 根据第 1/CMP.3 号决定,目前正在执行董事会做出的若干决定,还有一些决定建议《议定书》缔约方会议核准。

## 2. 挑 战

45. 适应基金董事会目前面临的挑战之一是，是否具备资源支持其工作。适应基金投入运作涉及很多费用，包括工作人员、顾问、旅行等费用。若干缔约方在这一进程早期提供的资助对于安排董事会最初三次会议、支持适应基金秘书处的工作至关重要。若没有额外的资金，在聘请专门的工作人员以支持董事会的工作、以及在安排 2009 年初的会议以完成货币化工作方面，秘书处的能力将会受到限制。

46. 主席寻求所有缔约方的支持，以确保各缔约方向其成员和候补成员提供充足的财政支助，以充分参加董事会的工作。

47. 在使适应基金投入运作方面，董事会面临的另一项挑战是确保将有关向合格的缔约方提供资源的交易费用保持在最低。

## 五、管理问题

48. 按照目前组建适应基金董事会的规则，包括替代辞职的成员和候补成员的规则，不言而喻，董事会所有成员和候补成员(在两年之后)同时结束任期。董事会的机构记忆保持某种连续性十分重要，因此，需要缔约方探索其他各种备选办法，如成员和候补成员任期交错的办法。

## 六、2009 年工作计划和预算

49. 在 2008 年确定的基本的法律、机制和政策结构之后，董事会 2009 年面临着使各种机制投入运作的挑战，从而使合格的缔约方能够编写并提交资金提议，供董事会审议。

### 1. 工 作 计 划

50. 适应基金董事会计划在《议定书》缔约方会议第四届会议结束之时，于 2008 年 12 月在德国波恩举行一次会议。在这次会议上，董事会预期核准 2009 年工作计划，在计划于 2009 年举行的四次次会议期间执行。工作计划的主要内容包括：

- (a) 一旦得到《议定书》缔约方会议地事件会议核准，即完成与适应基金秘书处和受托管理人的法律安排；
- (b) 在 2009 年启动核证的排减量的货币化，为适应基金提供资金；
- (c) 在战略优先事项、政策和指南、以及业务政策和指南的基础上，运行适应基金的项目周期，包括监测和评价；
- (d) 董事会认证法律实体，作为履行和执行实体，协助缔约方筹备和开展具体的适应活动；
- (e) 确定措施，加强执行实体的能力，包括直接获得的能力；
- (f) 审议和核准合格缔约方编写的申请适应基金资源支持的项目提议，以开展具体的适应活动。

## 2. 适应基金董事会会议日历

51. 适应基金董事会 2009 年会议日历见表 2。

表 2. 适应基金董事会 2009 年会议日历

月 份	地 点
3 月	德国波恩
6 月	波 恩
9 月	波 恩
12 月	丹麦哥本哈根

## 3. 预 算

52. 2009 日历年预期的预算需要为 250 万美元。适应基金董事会将在 2008 年 12 月审议一份详细的概算，以确定行政信托基金的可用资源。

## 七、观察员出席适应基金董事会会议的模式

53. 作为适应基金董事会第二次会议观察员的非政府组织致函董事会主席及全球环境基金秘书处负责人。观察员在感谢董事会和秘书处允许其参加会议并与董

事会成员开展互动的同时，提出了下列建议，以使未来的会议完全透明并使非政府组织观察员能够跟踪会议工作：<sup>6</sup>

- (a) 以网播的形式播放董事会会议进程；
- (b) 在董事会每次会议结束时编写并核准一份新闻稿；
- (c) 通过下列方式使非政府组织观察员能够提供投入：
  - (一) 确定程序，供非政府组织(和其他组织)向董事会提交评论或信息(例如通过适应基金网站)；
  - (二) 给予出席董事会会议的非政府组织观察员以优于不出席董事会会议的非政府组织的待遇，允许出席会议的非政府组织观察员(在若干届会上)发言或在全体会议期间对董事会做简短发言(例如 3 分钟)。

54. 董事会主席和秘书处负责人对非政府组织观察员的建议反映积极，并已采取了下列步骤：

- (a) 从 2008 年 9 月董事会第三次会议开始，以网播的形式在适应基金和《气候公约》网站上播放董事会会议进程；
- (b) 将从董事会第三次会议开始，向媒体发布一份声明；
- (c) 董事会的议事规则现在列有关于观察员提交评论或信息，以及主席请观察员发言的规定。

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<sup>6</sup> 节选自 Sven Harmeling 先生，德国观察社，代表非政府组织观察员 2008 年 6 月 20 日致适应基金董事会主席 Richard Muyungi 先生和秘书处负责人 Monique Barbut 女士的函件。

Annex I

[ENGLISH ONLY]

## **Draft Rules of Procedure of the Adaptation Fund Board**

### **I. Scope**

1. These rules of procedure shall apply to the conduct of the business of the Adaptation Fund Board, in accordance with Decision 1/CMP.3 of the Third Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. These rules become effective on their adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. Until then, it is proposed that the Board follow these rules on an interim basis.

### **II. Definitions**

2. For the purpose of these rules:

- (a) “Fund” means the Adaptation Fund pursuant to Decision 10/CP.7 of the Seventh Conference of the Parties to the United Nations Framework Convention on Climate Change.
- (b) “Board” means the Adaptation Fund Board, established by Decision 1/CMP.3 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as the Operating Entity of the Adaptation Fund with the mandate to supervise and manage the Adaptation Fund under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
- (c) “Member” means a representative elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as a Member of the Adaptation Fund Board, accorded the right to vote.
- (d) “Alternate” means a representative elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as an Alternate for each Member.
- (e) “Meeting” means any meeting of the Adaptation Fund Board.
- (f) “Chair” means the Board Member elected Chair of the Adaptation Fund Board, according to paragraph 10 of these rules.
- (g) “Vice-Chair” means the Board Member elected Vice-Chair of the Adaptation Fund Board, according to paragraph 10 of these rules.
- (h) “Secretariat” is a body appointed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to provide secretariat services to the Board and to the Fund, consistent with paragraphs 3, 18, 19 and 31 of Decision 1/CMP.3
- (i) “Trustee” means the Trustee for the Adaptation Fund.
- (j) “Implementing Entities” means the organizations that have been identified ex-ante by the Board as meeting the criteria adopted by the Board, in accordance with Decision 1/CMP.3 (5)(c), to access funding to implement concrete adaptation projects and programs supported by the Fund.

- (k) “Executing Entities” are organizations that meet the criteria set by the Board, to access funding to implement concrete adaptation projects and programs supported by the Fund, subject to such audit mechanisms and due diligence criteria as established by the Board.
- (l) “UNFCCC” means the United Nations Framework Convention on Climate Change.
- (m) “Protocol” means the Kyoto Protocol to the United Nations Framework Convention on Climate Change.
- (n) “Parties” means Parties to the Protocol.
- (o) “Annex I Parties” means a Party included in Annex I to the Convention, as may be amended, or a Party which has made a notification under Article 4, paragraph 2 (g), of the Convention.
- (p) “Non-Annex I Parties” means Parties not included in Annex I of the UNFCCC.
- (q) “Secretary” means the person in charge of providing support services and logistics to the Adaptation Fund Board meetings
- (r) “Head of Secretariat” means the Head of the entity responsible for rendering secretariat services to the Adaptation Fund Board.

### **III. Board**

3. The Board shall comprise 16 Members representing Parties, formally elected by a Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the Adaptation Fund as follows:

- (a) Two representatives from each of the five United Nations Regional Groups.
- (b) One representative of the Small Island Developing States.
- (c) One representative of the Least Developed Country Parties.
- (d) Two other representatives from Annex I Parties.
- (e) Two other representatives from non-Annex I Parties.

4. The election of each Member is to be accompanied by the election of an Alternate following the same principles as set out in paragraph 3 above.

5. The Member and Alternate shall each serve for a term of two calendar years and shall be eligible to serve a maximum of two consecutive terms.

6. In the absence of a Member, or when requested by a Member in writing, his or her Alternate will act for the Member, including by voting in the Member’s stead.

7. If a Member or an Alternate resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, a new Member or Alternate shall be elected in accordance with paragraph 8 of Decision 1/CMP.3.

8. Notwithstanding paragraph 7, if a Member or an Alternate resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the Adaptation Fund Board may decide, bearing in mind the proximity of the next session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to appoint another Member, or an Alternate Member, from the same group to replace the said Member for the remainder of that Member’s mandate. The



Adaptation Fund Board shall request the relevant group to nominate the new Member, or the new Alternate.

9. Except as may be expressly provided otherwise in these rules, any reference in these rules to a Member shall be deemed to include his/her Alternate, when such Alternate acts for such Member.

#### **IV. Officers**

10. The Board shall elect the Chair and Vice-Chair from among its Members, with one being from an Annex I Party and other being from a non-Annex I Party. The term of office of the Chair and Vice-Chair shall be one calendar year. The office of Chair and Vice-Chair shall alternate annually between a Member from an Annex I Party and a Member from a non-Annex I Party.

11. If the Chair is temporarily unable to fulfill the obligations of the office, the Vice-Chair shall in the interim assume the obligations and authorities of the Chair. In the absence of the Chair and the Vice-Chair at a particular meeting, any other Member designated by the Board shall temporarily serve as the Chair of that meeting.

12. If the Chair or Vice-Chair is unable to complete the term of office, the Board shall elect a replacement to complete the term of office.

13. The Chair shall, inter alia, declare the opening and closing of the meeting, ensure the observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The Chair shall rule on points of order and, subject to these rules, shall have complete control of the proceedings and over the maintenance of order, including adjournment or suspension.

14. The Chair shall propose to the Board chairs and vice-chairs from among the Members and Alternates for specific working groups and committees, as necessary.

15. The Chair, or any Member designated by the Chair, shall report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on behalf of the Board.

16. The Chair shall advocate and seek support for the Fund and the work of the Board. The Chair shall represent the Board at external meetings and shall report back to the Board on those meetings.

#### **V. Secretariat**

17. The Secretariat, being a dedicated team of officials to render secretariat services to the Adaptation Fund Board shall:

- (a) Make the necessary arrangements for the meetings of the Board, including ensuring that announcements of the meetings are posted on the Adaptation Fund and UNFCCC websites, issuing invitations, preparing meeting documents and the final report, which will include decisions of the meeting, and shall post all documents on the website of the Adaptation Fund;
- (b) Designate a member of the dedicated team of officials to serve as Secretary of the Adaptation Fund Board meetings to provide support services and logistics.
- (c) Keep meeting records and arrange for the custody and preservation of documents of the meetings in the archives of the entity designated as the Secretariat of the Fund; and
- (d) Generally perform all other functions that the Board may request.

## **VI. Meetings**

18. The Board shall meet at least twice every year or as frequently as necessary to enable it to discharge its responsibilities. The meetings of the Board shall take place in the country of the seat of the UNFCCC Secretariat, except when meeting in conjunction with sessions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or with the sessions of subsidiary bodies under the UNFCCC, in which case the Board meeting may take place in the country/at the venue of the relevant UNFCCC meeting.

19. Unless the Board decides otherwise in accordance with paragraph 20, meetings shall be open to Members, Alternates, and Observers as referred to in paragraphs 31-32. Observers shall inform the Secretariat of the composition of their delegation four weeks prior to the first day of any scheduled meeting.

20. The Board may declare any of its meetings, or segments thereof, closed; these shall then be open to Members, Alternates and the representatives of the Secretariat and the Trustee. The Board may invite any of the representatives referred to in paragraphs 31-32 to attend such meetings.

21. At each meeting, the Board shall set the date and duration for the next meeting.

22. The Secretariat shall notify all Members, Alternates and Observers of the dates and venue of the meetings and circulate a formal invitation and provisional agenda for any meeting at least 6 weeks before the first day of the meeting.

23. A simple majority of the Members of the Board must be present at a meeting to constitute a quorum. Quorum shall be verified by the Chair at the beginning of the meeting and at the time of the adoption of the decision.

24. Before the end of each meeting, the Chair shall present a draft Report of the Meeting containing draft conclusions and decisions of the meeting for consideration and approval by the Board. The Chair shall ascertain the existence of a quorum before adopting the draft Report of the Meeting on the understanding that the Chair would finalize the text, taking into account the amendments proposed during the meeting.

25. Any written records of the Board or recordings of proceedings shall be kept by the Secretariat on behalf of the Board in accordance with paragraph 17 (c) and applicable rules and regulations. The Secretariat shall make available to any Board Member or Alternate, at their request, copies of any records or recordings kept by the Secretariat on behalf of the Board.

## **VII. Confidentiality and conflict of interest**

26. Information obtained from Adaptation Fund project participants marked as proprietary and/or confidential shall not be disclosed without the written consent of the provider of the information, except as required by national law.

27. Members and Alternates have a duty not to disclose such confidential and/or proprietary information, unless required by applicable national law. This duty remains an obligation after the Member's term expires.

28. Each member and alternate member shall take and agree to respect a written oath of service before assuming his or her service. The oath of service witnessed by the head of the Adaptation Fund Secretariat, or his/her authorized representative shall read as follows:

“I solemnly declare that I will perform my duties and exercise my authority as Member or Alternate of the Adaptation Fund Board honourably, faithfully, impartially and conscientiously.

“I further solemnly declare that, subject to my responsibilities within the Adaptation Fund, I shall not disclose, even after the termination of my functions, any information marked confidential coming to my knowledge by reason of my duties in the Adaptation Fund.

“I shall disclose immediately to the Chair of the Adaptation Fund any interest in any matter under discussion before the Adaptation Fund Board which may constitute a conflict of interest or which might be incompatible with the requirements of independence and impartiality expected of a Member or Alternate of the Adaptation Fund and I shall refrain from participating in the work of the Adaptation Fund in relation to such matter.”

29. At each meeting, Members and Alternates must declare any conflicts of interest they may have in relation to any items on the agenda.

30. Members and Alternates shall be bound by the rules of procedure of the Board, and shall recuse themselves for all related deliberations and decision-making should any personal and/or financial interest arise in any aspect of a project activity or a body representing a project for approval to the Board. Members and Alternates have an obligation to promptly disclose any such situation.

## **VIII. Observers**

31. Except where otherwise decided by the Board, meetings shall be open for attendance as Observers to representatives of UNFCCC Parties, the UNFCCC secretariat and UNFCCC accredited observers. Such Observers may attend without the right to vote.

32. The Secretariat shall, upon the request of the Board, notify any individual or entity, whether national or international, governmental or non-governmental, qualified in the field related to the work of the Fund, of any meeting so that it may be represented by an observer.

33. Observers may, upon the invitation of the Chair and if there is no objection from any of the Members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency which they represent.

34. Observers may, upon invitation of the Chair and if there is no objection from the Member present, make presentations relating to matters under consideration by the Board.

## **IX. Procedures for public communication**

35. The Secretariat shall acknowledge receipt of unsolicited communications addressed to the Chair and make them available to the Chair and the Board via email or fax. The Chair, with the support of the Secretary of the Board, shall initiate action, including consultation with the Board, as needed, and answer unsolicited communications on behalf of the Board, as appropriate.

36. Unsolicited communications may be taken into consideration at the Board's next meeting if received before the document submission deadline (four weeks prior to the meeting). Any unsolicited communication received after this deadline would normally be considered at a subsequent meeting. At the discretion of the Chair, a communication may be brought forward to the Board.

37. If a Member or Alternate of the Board, in that capacity, receives an unsolicited communication, he/she shall forward it to the Secretariat, copying the sender of the unsolicited communication, for processing as per the above. The same shall apply for submissions received by members of panels, committees or working groups.

## **X. Agenda**

38. The Chair, assisted by the Secretariat, shall draft the provisional agenda for each regular meeting. The Secretariat shall indicate the administrative and financial implications of all substantive agenda items submitted to the meeting. The provisional agenda, together with the notice of the meeting and other relevant documents, shall be transmitted to all those invited to the meeting in accordance with paragraphs 22 and 43 of these rules.

39. The Board shall, at the beginning of each meeting, adopt the agenda for the meeting.

40. Any item on the agenda of any meeting, consideration of which has not been completed at the meeting, shall automatically be included in the agenda of the next meeting unless otherwise decided by the Board.

## **XI. Travel**

41. As soon as the Trust Fund for the Adaptation Fund is established, eligible Members and Alternates of the Board shall have their full costs of travel and DSA, including full transit costs, at the standard UN DSA rate, as provided under the budget of the Board and Secretariat.

42. As soon as the Trust Fund for the Adaptation Fund is established, travel for Board Members and Alternates shall be arranged according to United Nations rules.

## **XII. Transmittal of Documents**

43. The Secretariat shall transmit the documentation related to items on the provisional agenda to all those invited to the meeting at least four weeks before the first day of the meeting scheduled. In exceptional circumstances, the Chair may instruct the Secretariat to transmit a document after the deadline.

## **XIII. Decision-making and voting**

44. Decisions of the Board shall be taken by consensus whenever possible.

45. If all efforts at reaching a consensus have been exhausted and no agreement has been reached, decisions shall be taken by a two-thirds majority of the Members present at the meeting on the basis of one member, one vote.

46. An Alternate may cast a vote only if acting for the Member in accordance with paragraph 6.

47. The Chair shall ascertain whether consensus has been reached. The Chair shall declare that a consensus does not exist if there is a stated objection to the proposed decision under consideration by a Member or Alternate acting for a Member.

48. After ascertaining the existence of a quorum, the Chair shall announce the start of voting, after which no one shall be permitted to intervene until the results of the vote have been announced, unless an issue is raised in connection with the process of voting.

49. Voting shall be by roll-call, which shall be taken in alphabetical order of the names of the Members, beginning with the Member whose name is drawn by lot by the Chair.
50. The name of each Member shall be called in all roll-calls, and he/she shall indicate the vote (“yes” or “no”) or abstention.
51. Votes cast by each Member participating in a roll-call shall be recorded in the report of the meeting.

#### **XIV. Termination of Board Membership**

52. The Adaptation Fund Board may propose to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol the termination of the membership of any Member or Alternate for cause including, inter alia, breach of the conflict of interest provision, breach of the confidentiality provisions, or failure to attend two consecutive meetings of the Board without proper justification.
53. The Adaptation Fund shall recommend to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol the termination of the membership of a Member or an Alternate only after the Member or Alternate has been given the opportunity of a hearing by the Board in a meeting.
54. Any motion calling for the termination of the membership of a Member or Alternate shall be decided in accordance with the voting rules in section XIII. When the motion concerns the termination of the Chair, the Vice-Chair shall act as Chair until the voting has been conducted and its result announced.

#### **XV. Committees and Working Groups**

55. The Board may establish committees, panels and working groups, if required, to provide, inter alia, expert advice, to assist the Adaptation Fund Board in the performance of its functions.

#### **XVI. Intersessional decisions**

56. Decisions without meeting may occur on an extraordinary basis when, in the judgment of the Chair and Vice-Chair, a decision must be taken by the Board that should not be postponed until the next meeting of the Board. The Secretariat, with the approval of the Chair, shall transmit to each Member and Alternate a proposed decision with an invitation to approve the decision on a no-objection basis.
57. Each Member’s comments on the proposed decision shall be sent to the Secretariat during such period as the Secretariat may prescribe, provided that such period is no less than two weeks.
58. At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the Members. If there is an objection raised by any Member to any proposed decision that cannot be resolved, the Chair shall include consideration of the proposed decision as an item in the agenda for the next meeting.
59. The Secretariat shall inform Member and Alternates about the decision and post all intersessional decisions on the Adaptation Fund website.

#### **XVII. Languages**

60. The working language for the Board shall be English. Simultaneous interpretation shall be provided during the meeting in all of the UN official languages that correspond to the actual language requirements of the Members and Alternates present at that meeting.

61. Late meetings, committees and working groups will be held in English when interpretation is not available.

62. Documents for the meetings will be provided in English only.

63. The full text of all reports including decisions taken by the Board shall be made publicly available via the Adaptation Fund website in all the six official languages of the United Nations.

### **XVIII. Amendments to Rules of Procedure**

64. These rules of procedure may be amended according to paragraphs 44-51 above and, to be effective, must be formally approved by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

### **XIX. Overriding authority of the Kyoto Protocol**

65. In the event of any conflict between any provisions of these rules and any provisions of the Kyoto Protocol, the Kyoto Protocol shall prevail.

## 附件二

### 适应基金秘书处的法律安排

#### 前言

1. 《联合国气候变化框架公约京都议定书》第十二条在有关清洁发展机制的定义中规定：“确保经证明的项目活动所产生的部分收益用于支付行政开支和协助特别易受气候变化不利影响的发展中国家缔约方支付适应开支。”另外，《气候公约》缔约方会议第 10/CP.7 号决定建立了适应基金，以便“为同时也是《议定书》缔约方的《公约》发展中国家缔约方开展的具体适应项目和方案提供资金……”

2. 作为《京都议定书》缔约方会议的《公约》缔约方会议第 1/CMP.3 号决定建立了适应基金董事会，作为适应基金的经营实体。第 1/CMP.3 号决定第 19 段“请求全球环境基金在临时的基础上向适应基金董事会提供秘书处服务。”

3. 作为《京都议定书》缔约方会议的《公约》缔约方会议与全球环境基金理事会之间关于向适应基金和适应基金董事会提供秘书处服务的谅解备忘录草案案文载于本文件附件一。

4. 采用了谅解备忘录的形式。谅解备忘录是安排的一种形式，常常用于表示两个或多个机构之间确定的、但却没有法律约束力的承诺。该备忘录规定，有关安排经作为《京都议定书》缔约方会议的《公约》缔约方会议和环境基金理事会核准即行生效。该备忘录草案还将提交环境基金理事会即将与 2008 年 11 月举行的会议，供其提出意见和指导。

5. 备忘录将在作为《京都议定书》缔约方会议的《公约》缔约方会议和环境基金理事会双方商定后最终定稿。

## 草 案

### 作为《京都议定书》缔约方会议的《公约》缔约方会议 与全球环境基金理事会关于向适应基金和适应 基金董事会提供秘书处服务的谅解备忘录

#### 一、序言

作为《京都议定书》缔约方会议的《联合国气候变化框架公约》缔约方会议(下称《议定书》/《公约》缔约方会议)已决定(第 5/CMP.2 号决定)建立《京都议定书》适应基金(下称基金), 并已进一步决定(第 1/CMP.3 号决定)基金的经营实体为适应基金董事会(下称董事会), 其设立目的是为了监督和管理基金; 还决定董事会应制定和核准秘书处服务的法律和行政安排草案, 提交缔约方会议核准(第 1/CMP.3 号决定第 5 段(j)), 并请全球环境基金(下称环境基金)在临时的基础上向适应基金董事会提供秘书处服务,

确认环境基金愿意在临时的基础上向适应基金提供秘书处服务(下称秘书处);

进行了相互磋商, 并考虑到了其组成文书所反映的各自治理结构的相关方面;

《议定书》/《公约》缔约方会议和环境基金理事会(下称理事会)根据董事会的建议达成以下谅解:

#### 二、目的

本谅解备忘录的目的是规定《议定书》/《公约》缔约方会议和理事会之间的关系, 并执行《京都议定书》第十二条和第 1/CMP.3 号决定有关作为秘书处提供秘书处服务的规定。

#### 三、秘书处服务

秘书处应:

1. 作为专门的官员小组, 以职能上独立和有效的方式向适应基金董



事会提供秘书处服务；

2. 管理基金的日常业务，并向适应基金董事会报告；
3. 协助董事会制定基金的战略、政策和指南；
4. 确保及时执行董事会的决定；
5. 在基金的日常运行方面，担任董事会与缔约方和履行实体及执行实体之间的联络人；
6. 为董事会会议作出安排，包括发出邀请信，编写会议的文件和报告，并且向董事会会议提供一名秘书；
7. 制定基金的工作方案和年度行政预算，提交董事会核准；
8. 根据董事会通过的标准建立项目周期，从而确保执行董事会制定的适应基金的业务政策和指南；
9. 通过以下行动实际完成项目周期：
  - 对项目建议书进行初步审查和筛选，评估其是否符合董事会核准的指南
  - 向董事会提交项目建议书，供其核准
  - 监督实施进展情况
  - 定期向董事会报告项目组合的绩效；
10. 协调项目制定和实施监督，确保根据需要与其他机构进行联络；
11. 酌情与其他相关国际机构的秘书处进行联络；
12. 根据第 1/CMP.3 号决定和董事会的决定，向受托管理人提供所有相关信息，使受托管理人能够行使职责；
13. 提供服务，确保和促进与各方的正确沟通；
14. 履行董事会交给秘书处的其他职能。

负责提供服务的秘书处负责人将对适应基金董事会承担责任。

#### 四、修订

对本谅解备忘录的任何修订，由《议定书》/《公约》缔约方会议和环境基金理事会共同商定。理事会可向《议定书》/《公约》缔约方会议提出修订谅解备忘录的建议。

## 五、解释

如果在本谅解备忘录的解释方面出现分歧，环境基金理事会和《议定书》/《公约》缔约方会议(酌情包括董事会)将相互磋商，达成双方同意的解决方案。

## 六、生效

本谅解备忘录将在缔约方会议和环境基金理事会通过之后生效。每一方可随时通知对方而退出谅解备忘录。退出应自发出通知起六个月后生效。

## 七、审查

第 1/CMP.3 号决定第 32 段规定三年之后在《议定书》/《公约》缔约方会议第六届会议上对临时体制安排进行审查。将根据该决定对本谅解备忘录进行审查。审查之后，可修订谅解备忘录，以反映《议定书》/《公约》缔约方会议和环境基金理事会双方商定的任何决定。

### 附件三

#### 作为《京都议定书》缔约方会议的《公约》缔约方会议 与国际复兴开发银行(世界银行)关于受托管理人 向适应基金提供服务的法律安排草案

1. 作为《京都议定书》缔约方会议的《公约》缔约方会议(《议定书》缔约方会议)第 1/CMP.3 号决定第 31 段请适应基金董事会在《议定书》缔约方会议和作为适应基金受托管理人之间作出必要的法律安排，并将这些法律安排提交《议定书》缔约方会议供通过。

2. 根据上述决定，向适应基金董事会提交附件一所载国际复兴开发银行(世界银行)作为适应基金临时受托管理人(世界银行以受托管理人的身份)提供服务的条款和条件草案(“条款和条件”)，供其审议。

3. 建议适应基金董事会根据第 1/CMP.3 号决定第 31 段：(一) 核准条款和条件草案，(二) 建议《议定书》缔约方会议第四届会议通过核准和接受条款和条件完成《议定书》缔约方会议与世界银行之间的法律安排，但条款和条件须经世界银行核准和接受，和(三) 请世界银行采取任何必要行动，接受邀请作为受托管理人，包括在《议定书》缔约方会议核准和接受之后提请世界银行执行董事核准条款和条件。

**DRAFT TERMS AND CONDITIONS OF SERVICES TO BE PROVIDED BY THE  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AS TRUSTEE  
FOR THE ADAPTATION FUND**

**RECITALS**

(A) A clean development mechanism (the CDM) was established under Article 12 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the Convention) (the Kyoto Protocol).

(B) The Conference of the Parties to the Convention decided in its decision 10/CP.7 that an adaptation fund (the Adaptation Fund) shall be established to finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Kyoto Protocol, as well as activities identified in paragraph 8 of decision 5/CP.7.

(C) The decision was further endorsed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol through its decision 28/CMP.1.

(D) In decision 1/CMP.3, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol decided that the Adaptation Fund shall finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties, and that the Adaptation Fund Board shall be established as the operating entity of the Adaptation Fund.

(E) The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, in its decision 1/CMP.3, invited the International Bank for Reconstruction and Development (the World Bank) to serve as the trustee for the Adaptation Fund (the World Bank in such capacity, the Trustee) on an interim basis, and requested the Adaptation Fund Board to present the necessary legal arrangements to be concluded between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourth session.

(F) The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the World Bank wish to conclude the legal arrangements necessary for the World Bank to serve as Trustee on an interim basis by way of adopting and accepting the terms and conditions of services to be provided by the Trustee on an interim basis (the Terms and Conditions) in the manner set forth below.

## **TERMS AND CONDITIONS**

### **Role and Responsibilities of the Trustee**

1. The World Bank shall act as the Trustee on an interim basis in accordance with the Terms and Conditions set forth herein.
2. The Trustee shall comply with the principles and modalities for operations stipulated in the relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and decisions of the Adaptation Fund Board. The Trustee shall be closely consulted in the development of decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or the Adaptation Fund Board after the effective date of the Terms and Conditions relating in any way to the functions of the Trustee performed or to be performed, and the Terms and Conditions stipulated below shall be applicable. The Trustee shall perform its functions under the Terms and Conditions in accordance with the applicable provisions of the World Bank's Articles of Agreement, by-laws, policies and procedures.
3. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol hereby (i) confirms its designation, under its decision 1/CMP.3, of the Adaptation Fund Board as its designee and delegatee in respect of the Adaptation Fund, acting under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and (ii) imbues the Adaptation Fund Board with the capacity, power and authority to render decisions and provide instructions, directions and guidance to the Trustee hereunder and to cause to be effectuated the sale of certified emission reductions (CERs) collected as the share of proceeds for the Adaptation Fund pursuant to paragraphs 24, 25, 26, 27 and 28 below.
4. The Trustee, in the performance of its functions under the Terms and Conditions, shall be accountable to the Adaptation Fund Board.
5. Without prejudice to any other provisions of the Terms and Conditions, the Trustee shall, in performing its functions under the Terms and Conditions, act upon decisions, instructions, directions or guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or the Adaptation Fund Board (or such other person designated in writing by the Adaptation Fund Board for that purpose (Authorized Designee)), only if such decisions, instructions, directions or guidance are provided to the Trustee in writing. The Trustee shall not be responsible for inquiring or investigating if any decisions, instructions, directions or guidance of the Adaptation Fund Board or, as the case may be, any Authorized Designees, do not contravene an existing decision or act of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, and shall have no liability for relying in good faith on any written decision, instruction, direction or guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, Adaptation Fund Board or any Authorized Designees, without further inquiry or investigation on its part or otherwise for any actions taken, or omitted to be taken, in good faith.
6. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol acknowledges that the Trustee may disclose information obtained by it in connection with its functions under the Terms and Conditions, if such disclosure is required, or otherwise necessary in carrying out the services and activities set out herein, in accordance with the World Bank's policies and procedures.
7. The Trustee shall establish a trust fund for the Adaptation Fund (the Trust Fund), and shall hold in trust, as a legal owner, and administer the funds, assets and receipts, which constitute the Trust Fund, on behalf of the Adaptation Fund supervised and managed by the Adaptation Fund Board.

8. For the purpose of the monetization of CERs for the Adaptation Fund, the Trustee, in its capacity as agent of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, is hereby authorized by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to administer sales of CERs under the instructions, direction and guidance of the Adaptation Fund Board consistent with its responsibility for the monetization of CERs, pursuant to paragraphs 24, 25, 26, 27 and 28 below.

9. The Trustee shall be responsible only for performing those duties and responsibilities specifically and expressly set forth in the Terms and Conditions and shall not be subject to any other duties or responsibilities (express or implied), including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of equity, trust or fiduciary obligations and/or any other legal or equitable principles. To the extent that sales of CERs are conducted by the Trustee pursuant to paragraphs 24, 25, 26, 27 and 28 below, the Trustee shall not be responsible for the legality, validity or enforceability of any such sales of CERs, the value obtained from such sales of CERs (including any reduction in the value of the CERs from the time they are credited to the CDM Account (as defined in paragraph 24 below) to the time such sales are consummated) or any expenses or liabilities incurred in connection with such sales.

10. The Trustee shall not be liable for any failure to carry out its obligations under the Terms and Conditions where such failure is a result of a Force Majeure Event, and, for so long as such circumstances continue, shall be relieved of its obligations under the Terms and Conditions which it has been prevented from fulfilling as a result of that Force Majeure Event without liability; provided that the Trustee shall, notwithstanding that it is relieved from its obligations hereunder, take all reasonable and practical steps to minimize any loss and/or disruption resulting from any such Force Majeure Event. For the purpose of this paragraph, "Force Majeure Event" means any event beyond the reasonable control of the person affected including, without limitation, labor dispute, act of God, war, act or circumstance of terrorism, riot, civil commotion, malicious damage, accident, breakdown of essential computer software, hardware or system failure, fire, flood and/or storm and other unforeseen circumstances materially and adversely effecting the performance of the functions of the Trustee under the Terms and Conditions.

11. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol acknowledges that the World Bank shall have the right to engage in any of the types of activities described in the Terms and Conditions for its own account or for the account of clients other than the Adaptation Fund whether acting as trustee, adviser or in any other capacity vis-à-vis such clients. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol agrees that the World Bank, in carrying out such activities for its own account or for the account of others, may decide to adopt approaches and courses of actions, which differ from the approaches and courses of action that the Trustee decides to take in performing the services for the Adaptation Fund described in the Terms and Conditions. In engaging in such activities for its own account or for the account of others, the World Bank will put in place measures designed to avoid or mitigate conflicts of interest arising from its functions under the Terms and Conditions relating to the sale of CERs for the Adaptation Fund.

12. If a decision by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or the Adaptation Fund Board after the effective date of the Terms and Conditions relates in any way to the functions of the Trustee performed or to be performed under the Terms and Conditions, such decision shall be developed in close consultation with the Trustee. Absent such consultation with and the agreement of the Trustee, the Trustee shall not be bound by any decision of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or the Adaptation Fund Board, to the extent that such decision relates in any way to the functions of the Trustee performed or to be performed under the Terms and Conditions.

13. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol agrees that the Trustee shall be fully indemnified, out of the assets held for the Adaptation Fund, including the Trust Fund resources, for any liabilities, claims, losses, costs and expenses, including attorneys' fees and expenses, incurred by the Trustee in connection with or in any way arising out of its activities as Trustee, including but not limited to any activities of the Trustee in connection with the sale or the facilitation of the sale of the CERs. Such indemnity shall not include any liabilities, claims, losses, costs or expenses incurred by the Trustee as a direct result of its own gross negligence or willful misconduct.

14. The privileges and immunities accorded to the World Bank shall apply to the property, assets, archives, operations and transactions of the Trust Fund. Nothing in the Terms and Conditions shall be considered a waiver of any privileges or immunities of the World Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

15. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol agrees that the Trustee shall be reimbursed annually from the assets held for the Adaptation Fund, including the Trust Fund resources, the fees, costs and expenses incurred by it in connection with performing its functions under the Terms and Conditions, including, without limitation, the costs and expenses incurred in connection with the establishment and administration of the Trust Fund, the sales of CERs, and any and all services provided hereunder, including attorneys' fees and expenses and external auditors' costs, costs of insurance policies and relevant service providers' fees. For this purpose, the Trustee shall submit to the Adaptation Fund Board a proposal for mutual agreement for the services and activities to be provided by the Trustee and estimated fees, costs and expenses to carry out such services and activities for the initial and/or upcoming fiscal year, as applicable. Upon approval by the Adaptation Fund Board of such proposal, the Trustee shall deduct and transfer the amount of the estimated fees, costs and expenses to its own account from the Trust Fund resources or such other assets held for the Adaptation Fund; provided that the amount of the fees, costs and expenses transferred shall be subject to an end of year adjustment based on actual costs and expenses incurred.

16. In order to enable the Trustee to carry out its functions enumerated in the Terms and Conditions, the Trustee shall be entitled to attend any meetings of the Adaptation Fund Board, and, as an observer, any meetings of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, which may concern operations and activities of the Adaptation Fund. Further, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol hereby requests the secretariat servicing the Adaptation Fund Board and the Adaptation Fund in accordance with decision 1/CMP.3 and the secretariat of the Convention (the UNFCCC Secretariat) to cooperate fully with the Trustee.

#### **Administration of the Trust Fund**

17. The Trustee shall receive and hold in the Trust Fund any proceeds from sales of the CERs conducted pursuant to paragraphs 24, 25, 26, 27 and 28 below. If requested by the Adaptation Fund Board, the Trustee may accept, on terms mutually agreed between the Trustee and the Adaptation Fund Board, contributions from donors to support the operations of the Adaptation Fund. For the avoidance of doubt, no CERs shall be held in the Trust Fund.

18. Subject to paragraphs 2 and 12 above, the Trustee shall administer the funds, assets and receipts of the Trust Fund only for the purpose of, and in accordance with, the Terms and Conditions and the relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Adaptation Fund Board.

19. In accordance with paragraph 21 of decision 1/CMP.3, and in conformity with the administrative and investment arrangements of the Trustee, the Trustee shall hold the funds, assets and receipts that constitute the Trust Fund separate and apart from the funds of the World Bank. The Trustee shall

establish and maintain separate records and accounts to identify the resources of the Trust Fund, the commitments financed out of the Trust Fund, and the receipts and transfers of funds in the Trust Fund.

20. The Trustee shall invest the funds held in the Trust Fund, pending their transfer under paragraphs 15 and 22, in accordance with the Trustee's policies and procedures for the investment of trust funds administered by the World Bank, including commingling of the resources of the Trust Fund for administrative and investment purposes with other trust fund assets maintained by the World Bank. The commingling of Trust Fund resources for administrative and investment purposes should not affect the amount of resources from proceeds of CER monetization available in the Trust Fund for transfer of funds for Adaptation Fund operations, activities, projects and programs. The Trustee shall credit all income from such investment to the Trust Fund to be used for the same purposes as other funds held in the Trust Fund. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol acknowledges that no warranty is given by the Trustee as to the performance or profitability of the investment of the funds held in the Trust Fund.

21. The funds held in the Trust Fund may be freely exchanged by the Trustee into other currencies as may facilitate their administration and transfer.

22. The Trustee shall, subject to the availability of resources held in the Trust Fund, record commitments and make transfers of funds from the Trust Fund in the manner agreed between the Trustee and the Adaptation Fund Board, and only at, and in accordance with the written direction provided to the Trustee by the Adaptation Fund Board or any Authorized Designee. Upon the transfer of funds, the Trustee shall not have any responsibility for the use of the Trust Fund funds transferred and activities carried out therewith, including but not limited to any responsibility with respect to supervising, monitoring, reporting on or verifying activities carried out with the Trust Fund funds transferred by the Trustee herein.

23. The Trustee shall prepare and furnish the Adaptation Fund Board with financial reports of the Trust Fund annually (or at such other frequency as the Trustee and the Adaptation Fund Board may agree), and cause records and accounts of the Trust Fund to be audited by its external auditors annually (or at such other frequency as the Trustee and the Adaptation Fund Board may agree), in accordance with the policies and procedures of the Trustee. Further, the Trustee shall prepare and furnish the Adaptation Fund Board with reports on sales of the CERs for the Adaptation Fund and status of commitments and transfers of Trust Fund funds annually (or at such other frequency as the Trustee and the Adaptation Fund Board may agree).

### **Sales of CERs**

24. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol hereby authorizes the sale of the CERs from the account established and maintained at the CDM registry for the Adaptation Fund to hold and transfer CERs collected as the share of proceeds to assist in meeting costs of adaptation in accordance with Article 12, paragraph 8 of the Kyoto Protocol (the CDM Account) in the manner set forth hereunder.

25. The sale of CERs from the CDM Account shall be administered under the instructions, direction and guidance of the Adaptation Fund Board consistent with its responsibility to supervise and manage the Adaptation Fund and for the monetization of the CERs.

26. Pursuant to the authority provided under paragraph 3 above, the Adaptation Fund Board may cause to be entered into any and all contracts necessary for the sale of the CERs from the CDM Account by granting to the Trustee any necessary power of attorney on behalf of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, so that the Trustee may execute contracts of



sale with the relevant third party CER purchasers and such other contracts necessary in connection with the sale or the facilitation of the sale of the CERs, at the direction of the Adaptation Fund Board pursuant to paragraph 28 below.

27. Pursuant to the authority provided under paragraph 8 above, and in furtherance of paragraphs 24, 25 and 26 above, the Trustee may, at the direction of the Adaptation Fund Board pursuant to paragraph 28 below, (i) cause the transfer of title to the CERs to the relevant third party purchasers upon receipt of payment in respect of the same, (ii) enter into arrangements with the CDM registry administrator to effectuate such transfers of the CERs, (iii) engage with relevant service providers for the purposes of execution, clearance, settlement and such other logistic matters in connection with the sale or the facilitation of the sale of the CERs, and (iv) take such other actions as are necessary to effectuate sales of the CERs for the benefit of the Adaptation Fund.

28. Sales of the CERs and transfers of title in respect of the same pursuant to paragraphs 24, 25, 26 and 27 above shall be effected by the Trustee only in accordance with the guidelines agreed in writing between the Trustee and the Adaptation Fund Board.

### **Dispute Resolution; Notices**

29. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee shall, to the extent possible, strive to resolve promptly and amicably questions of interpretation and application of the Terms and Conditions and settle any disputes, controversy, or claim arising out of or relating to the Terms and Conditions.

30. Any dispute, controversy, or claim arising out of or relating to the Terms and Conditions, which has not been settled by agreement of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee, shall be submitted to arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) in force on the effective date of the Terms and Conditions, and the following provisions: (a) the appointing authority shall be the Secretary-General of the Permanent Court of Arbitration; and (b) the language of the arbitral proceedings shall be English.

31. Any arbitral award under paragraph 30 above shall be final and binding upon the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee. The provisions set forth in paragraphs 29 and 30 above shall be in lieu of any other procedure for the settlement of disputes between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee.

32. Any notice or request required or permitted to be given or made under the Terms and Conditions and any other agreement between any of the parties contemplated by the Terms and Conditions shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, facsimile or, if so designated by the parties, other electronic means, to the World Bank or the UNFCCC Secretariat, in case of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol, to which it is required or permitted to be given or made at such party's address designated by notice to the World Bank or the UNFCCC Secretariat, in case of the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol, giving such notice or making such request. Deliveries made by facsimile or other electronic transmission shall also be confirmed by mail.

**Amendment and Termination**

33. Any amendment to the Terms and Conditions shall become effective only upon approval and acceptance by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the World Bank.
34. The Trustee's role as trustee servicing the Adaptation Fund under the Terms and Conditions shall be automatically terminated three months after the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, unless the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee affirmatively agree in writing to extend the term of Trustee's services under the Terms and Conditions beyond such date.
35. Notwithstanding paragraph 34 above, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol may at any time terminate the appointment of the Trustee as trustee servicing the Adaptation Fund under the Terms and Conditions. The Trustee's role as trustee servicing the Adaptation Fund shall be terminated three months after receipt by the Trustee of the notice in writing of the termination of the appointment of the Trustee.
36. Notwithstanding paragraph 34 above, the Trustee may at any time terminate its role as trustee servicing the Adaptation Fund, after giving the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol a notice in writing no less than three months prior to any session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. The Trustee's role as trustee servicing the Adaptation Fund shall be terminated immediately after the session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol immediately following notice by the Trustee. In the event that no session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol is held within twelve months after the notice by the Trustee, however, the Trustee's role shall be terminated twelve months after the notice by the Trustee.
37. Following termination of the Trustee's role as trustee servicing the Adaptation Fund pursuant to paragraphs 34, 35 or 36 above, the Trustee shall carry on no business for the Adaptation Fund except for the purpose of winding up its affairs. The Trustee shall take all necessary action for winding up its affairs in an expeditious manner, and for meeting the commitments already made by the Trustee and the transfer of any remaining funds, assets and receipts in the Trust Fund, as directed by the Adaptation Fund Board. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol hereby mandates that in such circumstances the Adaptation Fund Board shall provide such direction to the Trustee without undue delay. All of the powers and rights of the Trustee under the Terms and Conditions, including the right to be reimbursed for the fees, costs and expenses incurred under paragraph 15 above, shall continue until the affairs of the Trustee shall have been wound up.

**Effectiveness**

38. The Terms and Conditions shall become effective and constitute agreement between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the World Bank, upon decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the World Bank adopting and accepting the Terms and Conditions.

Annex IV

[ENGLISH ONLY]

**Draft Strategic Priorities, Policies and Guidelines  
of the Adaptation Fund**

**BACKGROUND**

1. The Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) decided in its decision 10/CP.7 that an adaptation fund (the Adaptation Fund) shall be established to finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Kyoto Protocol to the Convention (the Kyoto Protocol), as well as activities identified decision 5/CP.7, paragraph 8. The decision was further endorsed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) through its decision 28/CMP.1.
2. In decision 5/CMP.2, Parties agreed on guiding principles and modalities. Parties further agreed in decision 1/CMP.3, that the Adaptation Fund Board shall be established as the operating entity of the Adaptation Fund.
3. This document sets out the strategic priorities, policies and guidelines for the Adaptation Fund, developed by the Adaptation Fund Board as requested by Parties in decision 1/CMP.3, paragraph 5 (a).
4. The strategic priorities, policies and guidelines set out in this document form the basis, upon which the operational policies and guidelines shall be developed to enable eligible Parties to access resources from the Adaptation Fund.

**STRATEGIC PRIORITIES**

5. In accordance with decision 1/CMP.3 paragraphs 1 and 2, the Adaptation Fund shall:
  - (a) Assist developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation; and
  - (b) Finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties.
6. In accordance with decision 5/CMP.2 paragraph 2 (c), projects and programmes funded under the Adaptation Fund should also take into account, inter alia, national sustainable development strategies, poverty reduction strategies, national communications and national adaptation programmes of action and other relevant instruments, where they exist.
7. In developing projects and programmes to be funded under the Adaptation Fund, eligible Parties should consider the guidance provided in decision 5/CP.7, paragraph 8 and, where necessary, further information included in reports from the Intergovernmental Panel on Climate Change and information generated under the UNFCCC Nairobi work programme.
8. In developing projects and programmes, special attention shall be given by eligible Parties to the particular needs of the most vulnerable communities.

## STRATEGIC POLICIES AND GUIDELINES

9. The operational principles and modalities that shall guide the provision of assistance by the Adaptation Fund to eligible Parties shall be consistent with decision 5/CMP.2, paragraphs 1 and 2.
10. Eligible Parties to receive funding from the Adaptation are understood as developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems.
11. Eligible Parties can submit project proposals directly to the Adaptation Fund Board and implementing or executing entities chosen by governments that are able to implement the projects funded under the Adaptation Fund can approach the Adaptation Fund Board directly.
12. Funding for projects and programmes will be on a full adaptation cost basis to address the adverse effects of climate change.
13. Funding for projects and programmes will be available for projects and programmes at national, regional and community levels.
14. Short and efficient project development and approval cycles and expedited processing of eligible activities shall be developed.
15. In assessing project and programme proposals, the Adaptation Fund Board shall give particular attention to:
  - (a) Consistence with national sustainable development strategies, including, where appropriate, national development plans, poverty reduction strategies, national communications and national adaptation programmes of action and other relevant instruments, where they exist;
  - (b) Economic, social and environmental benefits from the projects;
  - (c) Meet national technical standards, where applicable
  - (d) Cost effectiveness of projects and programmes;
  - (e) Arrangements for management, including for financial and risk management;
  - (f) Arrangements for monitoring and evaluation and impact assessment;
  - (g) Duplication with other funding sources for adaptation for the same project activity should be avoided; and
  - (h) Moving towards a Programmatic Approach in adaptation is desirable.
16. The decision for the allocation of resources of the Adaptation Fund among eligible Parties shall take into account:
  - (a) Level of vulnerability;
  - (b) Level of urgency and risks of delay;
  - (c) Ensuring access to the fund in a balanced and equitable manner;

- (d) Lessons learned in project and programme design and implementation to be captured;
- (e) Securing regional co-benefits to the extent possible, where applicable;
- (f) Maximizing multi-sectoral or cross-sectoral benefits; and
- (g) Capacity to adapt to the adverse effects of climate change.

17. The Adaptation Fund Board may wish to review elements of this strategic priority based on lessons learned.

18. The above strategic policies and guidelines will be further elaborated in the paper on “Provisional operational policies and guidelines for Parties to access resources from the Adaptation Fund”.

Annex V

[ENGLISH ONLY]

### Reimbursements of Funds to Parties for Their Contributions Pursuant to Paragraph 27 of Decision 1/CMP.3

1. The Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), in paragraph 27 of Decision 1/CMP.3, (i) invited Parties to finance the administrative expenses for operating the Adaptation Fund (the AF) in an interim phase, until the monetization of the share of proceeds of certified emission reductions (CERs) to meet the costs of adaptation is operational, by making contributions for the AF, and (ii) decided that such contributions shall be reimbursed, if requested, from the monetization of the share of proceeds of CERs, in accordance with procedures and a timetable to be determined by the CMP upon the recommendation of the AF Board.

2. As of 17 November 2008, the governments of Australia, Finland, Norway, Switzerland and the United Kingdom have paid in contributions in the total amount of USD 1,717,357 and additionally, Denmark, France, Japan Sweden and UNEP have pledged USD 1,395,946<sup>1</sup> to cover the administrative costs and expenses of the AF Board and the AF Secretariat in an interim phase. Among those donors, Australia, the United Kingdom and UNEP have requested to be reimbursed for their contributions. Details of the status of the contributions are provided in the table below.

**Table: Status of Contributions at 17 November 2008**

Donor	Currency	Amount	US Equivalent <sup>2</sup>		Reimbursement
<i>Fully paid</i>					
Australia	AUD	200 000	191 340	a/	Yes*
Finland	EUR	100 000	155 340	a/	No
Norway	NOK	1 000 000	201 726	a/	No
Switzerland	CHF	200 000	178 651	a/	No
United Kingdom	GBP	500 000	990 300	a/	Yes*
<b>Total fully paid</b>			<b>1 717 357</b>		
<i>Pledged</i>					
Denmark	DKK	3 000 000	504 202	b/	No
France	USD	150 000	118 750		No
Japan	USD	13 093	13 093		To be discussed
Sweden	SEK	2 100 000	259 901		
UNEP	USD	500 000	500 000		Yes*
<b>Total pledged</b>			<b>1 395 946</b>		
<b>TOTAL</b>			<b>3 113 303</b>		

<sup>1</sup> As of 17 November 2008, draft administration agreements with Denmark, France, Japan and Sweden are in the process of being finalized.

<sup>2</sup> a/ represents actual United States dollars purchased after payment by the donor.

b/ represents United States dollar equivalent using exchange rates available as of 17 November 2008.

The governments of Australia and the United Kingdom and UNEP have requested that the reimbursements of their contributions to the Adaptation Fund be contributed to a climate change fund under the UNFCCC.

The governments of Australia and the United Kingdom and UNEP have requested that the reimbursements of their contributions to the Adaptation Fund be contributed to a climate change fund under the UNFCCC.

3. As of 11 August 2008, 180.2 million CERs<sup>3</sup> have been issued, and 3.6 million CERs<sup>4</sup> are held in the AF account in the CDM registry (the AF CDM Account).<sup>5</sup> As a reference, the current price of CER futures contracts with the December 2008 maturity is around \$19 per ton. If the market for spot CERs develops as expected, and if the spot CER price in 2009 is in line with its current futures level, it should be possible to execute sales in line with the liquidity of the market which would provide the Adaptation Fund with the amount needed to reimburse contributions within six months after the start of monetization. If the liquidity on the exchanges is not sufficient, an over-the-counter spot transaction could be executed.<sup>6</sup>

4. Accordingly, it is suggested that the AF Board recommend to the CMP that the contributions made by the Parties and requested to be reimbursed pursuant to paragraph 27 of Decision 1/CMP.3 shall, be reimbursed as follows:

Subject to the availability of funds, as determined by the Adaptation Fund Board based on the advice of the Trustee, the contributions shall be reimbursed to the relevant Parties within six months of the commencement of CER monetization for the Adaptation Fund.

Should available funds not be sufficient, the Adaptation Fund Board will determine the subsequent timeline for reimbursement.

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<sup>3</sup> [http://cdm.unfccc.int/Issuance/cers\\_iss.html](http://cdm.unfccc.int/Issuance/cers_iss.html), retrieved August 11, 2008.

<sup>4</sup> <http://cdm.unfccc.int/Issuance/SOPByProjectsTable.html>, retrieved 11 August 2008.

<sup>5</sup> See paragraph 32 of AFB/B.2/9, which provides the estimated total possible amount of CERs to be issued by the CDM would be in the region of 2.5 billion tons to 1.5 billion tons by 2012. The estimated amount of CERs to be allocated to the AF would therefore be around 32 million CERs, which would be spread over the 2008-2012 period.

<sup>6</sup> See paragraph 53 of AFB/B.2/9.

Annex VI

[ENGLISH ONLY]

**Role and Responsibilities of the Adaptation Fund Board**

1. The Adaptation Fund Board (the Board) is the operating entity of the Adaptation Fund; it shall be responsible for the supervision and management of the Adaptation Fund, and shall be fully accountable to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
2. The Board shall act in a manner that is consistent with the functions assigned to it by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
3. The Board shall develop strategic priorities, policies and guidelines, and recommend their adoption to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
4. The Board shall develop and decide on specific operational policies and guidelines, including programming guidance and administrative and financial management guidelines, in accordance with decision 5/CMP.2, and report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
5. The Board shall approve the Adaptation Fund project cycle, including guidelines for the preparation of project proposals and eligibility criteria for implementation of such projects.
6. The Board shall develop and periodically review operational criteria based on the key principles listed in Decision 5/CMP.2 to ensure that:
  - (a) A share of the proceeds from certified project activities is used to cover the administrative expenses, as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation;
  - (b) Access to the Fund is in a balanced and equitable manner for eligible countries;
  - (c) Transparency and openness exists in the governance of the Fund;
  - (d) Funding is on full adaptation cost basis of projects and programmes to address the adverse effects of climate change;
  - (e) The Adaptation Fund operates under the authority and guidance of and is accountable to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, which shall decide on its overall policies;
  - (f) There is accountability in the management, operation, and use of funds;
  - (g) There is no duplication with other sources of funding for adaptation; and
  - (h) There is efficiency and effectiveness in the management, operation, and governance of the fund.
7. The Board shall develop and periodically review operational modalities for the Fund, consistent with the following modalities, as provided in Decision 5/CMP.2:
  - (a) Funding for eligible Parties will be available for national, regional and community level activities;



- (b) Facilitative procedures for accessing funds, including short and efficient project development and approval cycles and expedited processing of eligible activities;
- (c) Projects should be country driven and should clearly be based on needs, views and priorities of the eligible Parties, taking into account, inter alia, national sustainable development strategies, poverty reduction strategies, national communications and national adaptation programmes of action and other relevant instruments, where they exist;
- (d) Funding shall be available for concrete adaptation projects and programmes in eligible countries;
- (e) Ability to receive contributions from other sources of funding;
- (f) Competency in adaptation and financial management;
- (g) Sound financial management, including the use of international fiduciary standards;
- (h) Clearly defined responsibilities for quality assurance, management and implementation;
- (i) Independent monitoring, evaluation and financial audits; and
- (j) Learning by doing.

8. The Board shall ensure that projects receiving assistance from the Adaptation Fund Board are designed to achieve sustainable development objectives in accordance with applicable national criteria.

9. The Board shall develop criteria based on principles and modalities listed in Decision 5/CMP.2 to ensure that the executing entities have the capacity to implement the administrative and financial management guidelines of the Adaptation Fund;

10. The Board shall decide on projects, including the allocation of funds, in line with the Adaptation Fund principles, criteria, modalities, policies and programmes, in accordance with decision 5/CMP.2;

11. The Board shall develop and agree on rules of procedure for the Board that are additional to those included in Decision 1/CMP.3 and recommend them for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

12. The Board shall monitor and review implementation of the operations of the Adaptation Fund, including its administrative arrangements and expenditures incurred under the Adaptation Fund, and recommend decisions, as may be appropriate, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

13. The Board shall establish committees, panels and working groups, if required, to provide, inter-alia, expert advice, to assist the Adaptation Fund Board in the performance of its functions;

14. The Board shall draw upon and make use of the expertise that the Adaptation Fund Board may require to perform its functions;

15. The Board shall regularly review performance reports on implementation and ensure independent evaluation and auditing of activities supported by the Adaptation Fund;

16. The Board shall develop and approve the role and responsibilities of the Secretariat.

17. The Board shall review and approve the administrative budget of the Secretariat and request periodic financial and performance audits of the Secretariat and of the implementing and executing entities with regard to activities supported by the Fund;

18. The Board shall develop and approve draft legal and administrative arrangements for secretariat services and the trustee for approval by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

19. The Board shall provide guidance to the Trustee for the discharge of its role and responsibilities in accordance with the terms and conditions set out in the legal arrangements concluded between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Trustee.

20. The Board shall be responsible for the monetization of certified emission reductions issued by the Executive Board of the Clean Development Mechanism and forwarded to the Adaptation Fund to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, in order to:

- (a) Ensure a predictable revenue flow for the Adaptation Fund;
- (b) Optimize revenue for the Adaptation Fund while limiting financial risks;
- (c) Be transparent and monetize the share of the proceeds in the most cost-effective manner, utilizing appropriate expertise for this task; and
- (d) Report annually to the CMP on the monetization of CERs.

21. The Board shall report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

22. The Board shall ensure that appropriate legal agreements are in place with the Implementing Entities and Executing Agencies, as necessary.

23. The Board shall include in its work plan for the period up to the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, *inter alia*, those functions identified in paragraphs 3, 4, 9, 11, 18 and 20 above in order for the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to adopt or take note thereof.

24. The Board shall revise this document, as may be necessary, in order to reflect any new roles or responsibilities assigned to the Board by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

25. The Board shall meet pursuant to the rules of procedure of the Board, approved by the Conference of the Parties meeting as the Parties to the Kyoto Protocol.

Annex VII

[ENGLISH ONLY]

**Role and Responsibilities of the Adaptation Fund Secretariat**

1. Secretariat services shall be provided to the Adaptation Fund Board in order to support and facilitate its activities.
2. Decision 1/CMP.3 invited the GEF Secretariat to provide secretariat services to the Adaptation Fund Board on an interim basis.
3. The Secretariat shall:
  - (a) As a dedicated team of officials, provide secretariat services to the Adaptation Fund Board in a functionally independent and effective manner;
  - (b) Manage the daily operations of the Fund and report to the Adaptation Fund Board;
  - (c) Assist the Board in developing strategies, policies and guidelines for the Fund;
  - (d) Ensure timely implementation of the decisions of the Board;
  - (e) With respect to the day to day functioning of the Fund, act as liaison between the Board and Parties and implementing and executing entities;
  - (f) Make arrangements for the meetings of the Board, including issuance of invitations and preparation of documents and reports of meetings and provide a Secretary of the Board meeting;
  - (g) Develop the work programme and annual administrative budget of the Fund and submit them for approval by the Board;
  - (h) Ensure the implementation of Adaptation Fund operational policies and guidelines developed by the Board through, inter alia, the development of a project cycle based on criteria to be adopted by the Board;
  - (i) Operationalize the project cycle by:
    - (i) undertaking initial review and screening of project proposals to assess conformity with guidelines approved by the Board,
    - (ii) presenting project proposals for Board approval,
    - (iii) monitoring implementation of progress, and
    - (iv) periodically reporting to the Board on portfolio performance;
  - (j) (Coordinate the formulation and monitor the implementation of projects, ensuring liaison with other bodies as required;
  - (k) Liaise as appropriate, with the secretariats of other relevant international bodies;
  - (l) Provide the Trustee with all relevant information to enable it to carry out its responsibilities, consistent with the decision 1/CMP.3 and the decisions of the Board;
  - (m) Provide services to ensure and facilitate proper communication with parties;

(n) Perform any other functions assigned to it by the Board.

4. The head of the secretariat responsible for rendering the services shall be accountable to the Adaptation Fund Board.

Annex VIII

[ENGLISH ONLY]

## Summary of the Meeting of the Monetization Committee

### Summary:

The Meeting of the Monetization Committee took place on 4 September 2008. The meeting was attended by: Richard Muyungi (Chair), Anton Hilber, Merlyn Van Voore, Brennan Van Dyke, Susan McAdams, Jonathan Caldicott and Johannes Kiess.<sup>1</sup>

The call focused on the options to be Presented to the Adaptation Fund Board regarding monetization of CERs. The following conclusions were reached:

1. **Two Step Approach:** In general, the participants agreed on Presenting a two step monetization approach to the Adaptation Fund Board at its Third Meeting: First, the trustee would explore arranging an over-the-counter sale with either Annex I Parties or a broader range of buyers through dealers. This one-time event would signal that the Adaptation Fund monetization program has been launched. Second, after this launch event, the trustee would monetize the Adaptation Fund's CERs according to guidelines expected to be approved by the Adaptation Fund Board at its next meeting.
2. **Transactions Costs:** Further to discussion of this issue during the August 28, 2008 conference call, the invited Trustee confirmed that a precise estimate of transactions costs would be difficult to provide. In general, over-the-counter sales via dealers might attract higher transaction costs as compared to sales to Annex I Parties, but would offer broader participation.
3. **Scope of initial CER monetization:** The Board would need to agree whether or not to extend the inaugural sale of AF CERs beyond Annex I Parties. Approval would also be sought on the amount of CERs to be monetized during the initial exercise. The Trustee indicated that monetizing the large majority of CERs in the AF account might be advisable reserving an amount of 5-10% of CERs in the account to facilitate subsequent sales.
4. **Next Steps:** The invited Trustee will prepare a Presentation for the upcoming Board meeting outlining to the Board the two-step approach discussed.

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<sup>1</sup> Ermira Fida, Luis Paz Castro, Amjad Abdulla, Farrukh Khan and Alejandro Nieto were available at the time of the teleconference, but absent due to technical and other difficulties.

Annex IX

[ENGLISH ONLY]

## **Roles and Responsibilities of Implementing and Executing Entities**

### **BACKGROUND**

1. In accordance with Decision 1/CMP.3, paragraphs 3 and 4, the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol decided that the Adaptation Fund Board would be the operating entity of the Adaptation Fund. The Board was established to supervise and manage the Adaptation Fund and to decide on its overall policies. In this context, this document provides clarification of the terms implementing and executing entities, and identifies the roles and responsibilities of these entities.

### **DEFINITIONS**

2. Implementing Entities are organizations that are designated *ex ante* by the Board as eligible to assist Parties to prepare and implement projects and programs receiving assistance from the Fund. Such entities must have organizational structures and systems competent to adhere to Board-approved fiduciary and other standards.

3. Executing entities are legal entities chosen by an eligible Party to prepare and implement projects receiving assistance from the Fund. Executing Entities can access Fund resources directly or through an Implementing Entity.

### **PROJECT PREPARATION AND SUBMISSION**

4. Implementing and Executing Entities shall assist eligible developing country Parties that are particularly vulnerable to the adverse effects of climate change with the identification, preparation, and implementation of concrete adaptation projects and programs that are country driven and based on the needs, views and priorities of eligible Parties to adapt to the adverse effects of climate change.

5. In accordance with paragraph 29 of Decision 1/CMP.3, any project and/or program proposal must be submitted by an eligible Party, either through a legal entity identified as an Executing Entity by the Party, or through an organization designated as an Implementing Entity by the Adaptation Fund Board, and must meet the criteria and follow the procedures set out in the operational policies and guidelines adopted by the Adaptation Fund Board.

6. All project and program proposals submitted to the Fund shall be endorsed by the relevant UNFCCC national focal points.

### **PROJECT EXECUTION**

7. Implementing and Executing Entities shall ensure quality in their operations and are responsible for preparing and implementing projects and programs according to the principles and modalities applied to the operations of the Adaptation Fund, as established by the Board.

8. The Implementing and Executing Entities shall adhere to all modalities and formats required by the Secretariat to operationalize the decisions of the Adaptation Fund Board.

9. The Implementing and Executing Entities are responsible for the management, operation, and use of funds for projects and programs approved by the Adaptation Fund Board.

10. The Implementing and Executing Entities shall ensure appropriate monitoring and independent evaluation of all activities related to projects and programs funded by the Adaptation Fund, and shall provide the necessary financial information to enable independent financial auditing as referred to in paragraph 12.

11. Implementing and Executing Entities shall submit to the Secretariat annual progress reports on all Adaptation Fund financed activities approved by the Board and under their implementation.

#### **ACCOUNTABILITY**

12. Implementing and Executing Entities will be accountable to the Adaptation Fund Board and projects and programs under their supervision will be subject to performance management and supervisory systems, based on fiduciary standards to be established by the Adaptation Fund Board, including independent financial audits.

13. If an Executing Entity works through an Implementing Entity, then the Implementing Entity is accountable to the Board for meeting the Board-approved fiduciary and other standards.

14. If an Executing Entity accesses Fund resources directly, then the Executing Entity is directly accountable to the Board for meeting the Board-approved fiduciary and other standards, and, therefore, will be subject to performance management and supervisory systems to be established by the Board.<sup>1</sup>

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<sup>1</sup> For example, at the Global Fund to Fight AIDS, Malaria and Tuberculosis, Local Fund Agents located in countries or in the region, selected through a competitive bidding process, provide to the Fund a range of independent program performance and supervisory services to monitor grant recipients. These include: (i) upstream review to assess the potential grant recipient's capacity to implement the grant; (ii) site visits to monitor implementation performance and verify results; (iii) inputs for decisions regarding continuation of grant; (iv) review at grant closure; and (v) ad-hoc assignments, including investigations related to suspected misuse of funds.