



SUBSIDIARY BODY FOR IMPLEMENTATION

Thirty-second session

Bonn, 31 May to 9 June 2010

Agenda item 11

Review of the Adaptation Fund

Review of the Adaptation Fund

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI) took note of the views and recommendations contained in submissions from Parties.¹
2. The SBI considered but was unable to fully capture additional issues suggested by Parties for inclusion in the terms of reference contained in the annex and noted that the Adaptation Fund has only recently become fully operational. The SBI also noted that the existing timelines do not guarantee timely availability of relevant inputs for the preparation of a thorough review of the Adaptation Fund.
3. The SBI concluded that it was not able to finalize the terms of reference contained in the annex, as requested by decision 5/CMP.5, for the review of all matters related to the Adaptation Fund, including its institutional arrangements, to be undertaken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its sixth session.
4. The SBI also noted the need for consideration by the CMP at its sixth session of the interim arrangements with the Trustee of the Adaptation Fund, with a view to ensuring that any project activities already funded and in the process of being implemented are not jeopardized.
5. In the light of paragraphs 2 and 3 above, the SBI agreed to recommend that the CMP at its sixth session consider undertaking the review of the Adaptation Fund at CMP 7 and that the CMP take measures at its sixth session to facilitate this process, including the adoption of terms of reference and initiation of the review.

¹ FCCC/SBI/2010/MISC.2.

Annex

Draft terms of reference for the initial review of the Adaptation Fund

[Terms of reference for the Initial Review of the Adaptation Fund

I. Introduction

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) decided to undertake, at its sixth session, a review of all matters relating to the Adaptation Fund, including its institutional arrangements, with a view to ensuring the effectiveness and adequacy of the Fund. The review shall take into account the outcome of performance reviews of the secretariat and the trustee servicing the Adaptation Fund, submissions by Parties and other interested intergovernmental organizations and stakeholders. The CMP further decided that the interim institutional arrangements with the Global Environment Facility (GEF) for the provision of secretariat services to the Adaptation Fund Board, as well as the institutional arrangements with the World Bank for the provision of trustee services to the Adaptation Fund, shall be reviewed at the sixth session of the CMP.²

2. The CMP, at its fifth session, requested the Subsidiary Body for Implementation (SBI) to initiate the review of the Adaptation Fund at its thirty-second session and to agree on the terms of reference for the review and report back to the CMP at its sixth session so that the review can be undertaken by the CMP at that session.³

II. Objective

3. The objective of this initial review is to ensure the effectiveness and adequacy of the Adaptation Fund and its interim institutional arrangements with a view for the CMP to adopt an appropriate decision at its sixth session.

III. Scope

4. A review of all matters related to the Adaptation Fund, including institutional arrangements. Given that the Adaptation Fund has only recently become fully operational, this initial review shall focus on:

[x. Taking stock of the progress made and lessons learned in the operationalization of the Fund to date [including modalities [defined in decision 5/CMP.2 paragraph 2 [and further elaborated [informed by] [in] decision 1/CMP.3]], noting that this work is still ongoing;]

- a) The interim institutional arrangements of the GEF acting as interim secretariat to the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for Adaptation Fund and the working arrangements of the Adaptation Fund Board;
- b) Performance reviews of the GEF acting as interim secretariat to the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for Adaptation Fund; and

² Decision 1/CMP.3, paragraphs 32–34.

³ Decision 5/CMP.5.

- c) A comparative assessment of the administrative cost of the services of the GEF as interim secretariat of the Adaptation Fund Board, the World Bank acting as an interim trustee of the Adaptation Fund and the Adaptation Fund Board.

IV. Methodology

5. In conducting the initial review of the Adaptation Fund at CMP the Parties shall use the following inputs:

- a) Submissions by Parties, other interested intergovernmental organizations and stakeholders, on among other things, the interim institutional arrangements of the GEF acting as interim secretariat to the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for Adaptation Fund and the working arrangements of the Board, informed by the annual reports of the AFB to the CMP;
- b) Independent performance reviews of the secretariat and the trustee servicing the Adaptation Fund, to be undertaken by the Adaptation Fund Board or by an independent entity appointed for such purposes by the Adaptation Fund Board;
- c) A comparative analysis of administrative costs of the services of the GEF as interim secretariat of the AFB, the World Bank acting as an interim trustee of the Adaptation Fund and the Adaptation Fund Board; and
- d) Annual reports of the Adaptation Fund Board to the CMP.]
