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Adaptation Fund

Report of the Adaptation Fund Board

Report of the Adaptation Fund Board

Note by the Chair of the Adaptation Fund Board

Summary

This report has been prepared in response to decision 1/CMP.3 requesting the Adaptation Fund Board to report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and covers the period from 30 November 2012 to 31 July 2013. The Chair will report orally to the CMP at its ninth session on activities carried out from 1 August 2013 to November 2013. The report provides information on progress made with respect to the Adaptation Fund, in particular on the implementation of tasks mandated by the CMP, and recommends actions to be taken by the CMP, as appropriate. The report contains, inter alia, a draft decision for approval by the CMP in accordance with decision 1/CMP.4, requests for clarification with regard to the application of decision 1/CMP.8, paragraph 21, and information on decisions and actions taken by the Adaptation Fund Board to be noted by the CMP.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), at its seventh session, agreed to the establishment of the Adaptation Fund (the “Fund”).¹ The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its third session, decided that the operating entity of the Adaptation Fund would be the Adaptation Fund Board (the “Board”), serviced by a secretariat and an interim trustee (the “trustee”).²

2. By its decision 1/CMP.3, the CMP requested the Board to report on its activities at each session of the CMP. It further invited the Global Environment Facility (GEF) to provide secretariat services to the Board, and the International Bank for Reconstruction and Development (the “World Bank”) to serve as the trustee for the Fund, both on an interim basis.

B. Scope of the note

3. This report provides information on progress made with respect to the Fund, in particular on the implementation of the mandate from the CMP, and recommends actions to be taken by the CMP, as appropriate. The report covers the period from 30 November 2012 to 31 July 2013.

C. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session

4. The CMP may wish to take note of the information contained in this report and consider adopting a draft decision on the amendment to the terms and conditions of services to be provided by the World Bank as trustee of the Adaptation Fund (see annex I).

5. In accordance with the Doha Amendment to the Kyoto Protocol, adopted through decision 1/CMP.8, the CMP decided “that for the second commitment period, the Adaptation Fund shall be further augmented through a 2 per cent share of the proceeds levied on the first international transfers of AAUs and the issuance of ERUs for Article 6 projects immediately upon the conversion to ERUs of AAUs or RMUs previously held by Parties.”³ The Board noted that further clarifications from the CMP are necessary in order to operationalize this provision so that the Fund can be augmented with this new 2 per cent levy. The Board recommends that the CMP may wish to provide clarifications on the following:

(a) The timing of and procedures/responsibilities for the levy of 2 per cent on the first international transfers of assigned amount units (AAUs) and the issuance of Emission Reduction Units (ERUs) for Article 6 projects, in relation to the conversion of ERUs as per decision 1/CMP.8, paragraph 21;

¹ Decision 10/CP.7.

² Decision 1/CMP.3, paragraph 3.

³ Decision 1/CMP.8, paragraph 21.

(b) Whether this new levy (i) is included in the amount of the first international transfers of AAUs, or (ii) is additional to the amount of the first international transfers of AAUs;

(c) Whether transfers of AAUs from previous period surplus reserves are subject to the new levy contained in the Doha Amendment;

(d) Where the account for accumulating the 2 per cent levy on the share of proceeds referred to in paragraph 21 of decision 1/CMP.8 should be hosted ;

(e) What measures should be put in place to ensure adequate tracking and enforcement of the 2 per cent levy on the share of proceeds referred to in paragraph 21 of decision 1/CMP.8;

(f) Which entity or entities should be requested to monetize the 2 per cent levy on the share of proceeds referred to in paragraph 21 of decision 1/CMP.8, and when the arrangements between the CMP and such entity or entities should be considered by the CMP, noting that the terms and conditions of services to be provided by the International Bank for Reconstruction and Development (the World Bank) as trustee for the Adaptation Fund would need to be amended for such purpose.

6. The Board invites the CMP to take note of the following key events, actions and decisions, taken during the reporting period in accordance with decision 1/CMP.4 and paragraph 10 below:

(a) Accreditation of 15 national implementing entities (NIEs), including one during the reporting period, that can access resources from the Adaptation Fund directly;

(b) Cumulative receipts into the Adaptation Fund trust fund reached USD 324.4 million, comprising USD 188.3 million from the monetization of certified emission reductions (CERs), and USD 136.1 million from additional contributions;

(c) Cumulative project and programme approvals reached USD 184 million;

(d) Funds available for new funding approvals amounted to USD 115.8 million as at 31 July 2013. Potential cumulative additional resources from the monetization of CERs up to the end of 2020 are estimated at USD 15–30 million.⁴

(e) Funds available for projects/programmes implemented by Multilateral Implementing Entities reached the 50 per cent cap established by decision B.12/9. Thus a pipeline of eight projects/programmes recommended for approval by the Project and Programme Review Committee, but for which no funds were available, was established.

(f) Fundraising target of USD 100 million until 2013 is yet to be reached.

II. Work undertaken during the reporting period

7. The Board has held three meetings during the reporting period, each of which was convened at the premises of the United Nations Convention to Combat Desertification (UNCCD) secretariat in Bonn, Germany. The agendas and annotations (including background documentation on the agenda items) and detailed reports of the meetings are available on the Fund's website.⁵

8. The following sections describe the major work undertaken by the Board during the reporting period.

⁴ Estimate based on current CER prices and estimated CER issuance levels.

⁵ <<http://www.adaptation-fund.org>>.

A. Election of the Chair and Vice-Chair of the Adaptation Fund Board

9. In accordance with decision 1/CMP.3, paragraph 13, the Board, at its 19th meeting, elected, by consensus, Mr. Hans Olav Ibrekk (Norway, Western European and other States) as Chair and Mr. Mamadou Honadia (Burkina Faso, least developed countries) as Vice-Chair of the Adaptation Fund Board.

B. Changes in composition of the Adaptation Fund Board

10. During the reporting period, a number of members and alternate members of the Board have been replaced. Among the members of the Board, the following changes took place: Mr. Yerima Peter Tarfa (Nigeria, African States) replaced Mr. Cheikh Ndiaye Sylla (Senegal, African States); Mr. Raul Pinedo (Panama, Latin America and Caribbean States) replaced Mr. Luis Santos (Uruguay, Latin America and Caribbean States); Ms. Celia Pigueron Wirz (Mexico, Parties not included in Annex I to the Convention (non-Annex I Parties)) replaced Mr. Ricardo Lozano Picon (Colombia, Latin America and Caribbean States). Later on, Dr. Margarita Caso (Mexico, non-Annex I Parties) replaced Ms. Pigueron Wirz (Mexico, non-Annex I Parties). Dr. Mohamed Shareef (Maldives) who was alternate of the small island developing States (SIDS) Group replaced Mr. Abdulhadi Al-Marri (Qatar, Asia-Pacific States). Mr. Hans Olav Ibrekk (Norway, Western European and other States) and Mr. Anton Hilber (Switzerland, Western European and other States) switched positions, with Mr. Ibrekk becoming a member and Mr. Hilber becoming an alternate. Mr. Valeriu Cazac (Moldova, Eastern European States) and Ms. Medea Inashvili (Georgia, Eastern European States) also switched positions, with Mr. Cazac becoming a member and Ms. Inashvili becoming an alternate. Mr. Marc-Antoine Martin (France) and Ms. Su-Lin Garbett-Shiels (United Kingdom of Great Britain and Northern Ireland) who were member and alternate of Parties included in Annex I to the Convention (Annex I Parties) until December 2012, switched positions, with Ms Garbett-Shiels becoming a member and Mr. Martin becoming an alternate of Western European and other States. Similarly, Ms. Angela Churie-Kallhauge (Sweden) and Mr. Markku Kanninen (Finland), who were member and alternate, respectively, of Western European and other States until December 2012, switched positions, with Ms. Angela Churie-Kallhauge becoming a member and Mr. Markku Kanninen an alternate of Annex I Parties.

11. The following changes took place among the alternate members of the Board: Mr. Petrus Muteyauli (Namibia, African States) replaced Mr. Richard Mwendandu (Kenya, African States); Mr. Alamgir Mohammed Monsurul Alam (Bangladesh, Asia-Pacific States) replaced Mr. Damdin Davgadorj (Mongolia, Asia-Pacific States); Ms. Irina Helena Pineda Aguilar (Honduras, Latin America and Caribbean States) replaced Mr. Santiago Reyna (Argentina, Latin America and Caribbean States); Mr. Kotaro Kawamata (Japan, Annex I Parties) replaced Mr. Yutaka Matzusawa (Japan, Annex I Parties); Ms. Patience Damphey (Ghana, non-Annex I Parties) replaced Ms. Sally Biney (Ghana, non-Annex I Parties); and Mr. Paul Elreen Philip (Grenada, SIDS) replaced Mr. Mohamed Shareef (Maldives, SIDS).

12. The complete list of Board members and alternate members is contained in annex II.

C. Calendar of meetings of the Adaptation Fund Board in 2013

13. At its nineteenth meeting, the Board adopted a calendar of meetings for 2013 (see table 1). Meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) immediately preceded each Board meeting.

Table 1
Calendar of meetings of the Adaptation Fund Board in 2013

<i>Dates</i>	<i>Location</i>
4–5 April	Bonn, Germany
3–4 June	Bonn, Germany
31 October–1 November	Bonn, Germany

D. Work plan of the Adaptation Fund Board

14. The Board, at its twentieth meeting, adopted the work plan for the Adaptation Fund Board for fiscal year from 1 July 2013 to 30 June 2014.

E. Budget of the Adaptation Fund Board, secretariat and trustee

15. At its twentieth meeting, the Board considered and approved resources to support the work of the Board and its secretariat and the trustee through to 30 June 2014. Subsequently, at its twenty-first meeting, the Board approved a revised budget for the Board and secretariat budget in order to account for a reduction of five percentage points in the time charged to the Fund by the Global Environment Facility CEO corresponding to her role as Head of the secretariat (see annex III). The estimated administrative budget requirement approved for the fiscal year 2014 for the Board, the secretariat and the trustee is USD 4,209,761 as at 30 June 2013 (Board and secretariat: USD 3.39million; trustee: USD 0.87 million), representing a decrease of 5 per cent from the approved amount for the previous year.

F. Accreditation of Implementing Entities

16. Decision 1/CMP.3, paragraph 30, provides that “in order to submit a project proposal, Parties and implementing...entities shall meet the criteria adopted by the Adaptation Fund Board...in order to access funding from the Adaptation Fund.”

17. The Accreditation Panel met three times during the reporting period. The Board elected Mr. Philip Weech (Bahamas, Latin America and Caribbean States) as Chair and Ms. Angela Churie-Kallhauge (Sweden, Western European and other States) as Vice-Chair. The Accreditation Panel is constituted by these two Board members, along with four independent expert members. Due to its increasing workload, the Board had decided to increase the number of expert members from three to four by decision B.18-19/15.

18. In line with the decision referred to in paragraph 16 above, the Board considered the recommendations of the Accreditation Panel and approved the accreditation of an additional national implementing entity (NIE), the International Cooperation Agency of Chile (AGCI), and one additional regional implementing entity (RIE), the Sahara and Sahel Observatory (OSS), during the reporting period. The total number of accredited implementing entities as of the date of this report amounted to 15 NIEs, 2 RIEs and 10 Multilateral Implementing Entities (MIEs). The list of accredited implementing entities is contained in annex IV to this report.

G. Adaptation Fund Board committees

19. The Ethics and Finance Committee (EFC) and the Project and Programme Review Committee (PPRC), established by the Board in 2009, met three times during the reporting

period, scheduling their meetings two days prior to the subsequent Board meetings. Ms. Laura Dzelzyte (Lithuania, Eastern European States) was elected as Chair of the PPRC and Mr. Jeffery Spooner (Jamaica, Latin America and Caribbean States) was elected as Vice-Chair. Ms. Medea Inashvili (Georgia, Eastern European States) was elected as Chair of the EFC and Ms. Su-Lin Garbett-Shiels (United Kingdom, Annex I Parties) was elected as Vice-Chair.

20. The EFC considered and made recommendations to the Board on the following items: investigative procedure, fundraising campaign and strategy, implementation of the 50 per cent cap for MIEs, the annual report, project performance reports, the standard legal agreement between the Board and the implementing entities for the implementation of projects and programmes funded by the Adaptation Fund, overall evaluation of the Fund, CER monetization, and the budget of the Board and secretariat, and trustee.

21. Up to the end of the reporting period, the PPRC had reviewed eight project concepts and 16 fully developed proposals, representing 22 distinct proposed projects. It also discussed and conveyed the outcomes of its deliberations to the Board on issues related to the project or programme review process, such as the engagement of the scientific community in providing inputs on technical issues, challenges being faced by NIEs in developing project/programme proposals, and consideration of issues related to regional projects/programmes.

H. Funding decisions on adaptation projects and programmes

22. Decision 1/CMP.4 paragraph 10, “requests the Adaptation Fund Board to start processing proposals for funding projects, activities or programmes, as applicable, and to report back on progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.”

23. In line with the provision referred to in paragraph 22 above, the Board approved three proposals for funding, including one direct access proposal, for a total amount of USD 17.9 million, during the Adaptation Fund Board meetings held since CMP8 (see annex V). It deserves to be highlighted that since the approved projects/programmes implemented by MIE reached the 50 per cent cap, eight proposals recommended for approval by the PPRC have been placed in the pipeline that is more fully described in the next section of this report.

24. The Parties whose proposals have been approved for funding during the reporting period are Argentina (two proposals) and Sri Lanka.

25. In addition to the funding decisions listed above, the Board endorsed four project concepts for a total amount of USD 29.7 million at its meetings since CMP8. The Parties whose proposals have been endorsed during the reporting period are: Niger, Rwanda and South Africa (two proposals).

26. The sectors represented in the approved fully developed proposals and endorsed concepts included: agriculture, food security, rural development and water resources management.

27. Responding to the suggestions and requests from the civil society and non-governmental organization observers, all project/programme proposals are posted on the Adaptation Fund website as they are received, and interested stakeholders may post online comments pertaining to the proposals.

I. Project/programme pipeline

28. The Board decided to maintain the 50 per cent cap on the funding of projects/programmes implemented by MIEs, and exclude project/programme concepts from the 50 per cent calculation. It also decided to establish a pipeline of fully developed projects/programmes that have been recommended by the PPRC for approval by the Board, but whose approval would exceed the 50 per cent cap on available resources in the trust fund. It also decided to prioritize the projects/programmes in the pipeline through the sequential application of the following criteria:

- (a) Their date of recommendation by the PPRC;
- (b) Their submission date;
- (c) The lower “net” cost.

29. The Board further decided to consider fully developed projects/programmes in the pipeline for approval, subject to availability of resources and respecting the 50 per cent cap.

30. At the 19th Board meeting the recommended projects/programmes implemented by MIE reached the cap mentioned above. Thus the Board established a pipeline and as of the date of issuance of this document eight recommended proposals with a total funding request of USD 54.1 million are placed therein, waiting to be approved by the Board as resources become available. The order of priority of the proposals in the pipeline is the following: Guatemala, Cuba, Seychelles, Myanmar, Uzbekistan, Belize, Ghana and Mali.

J. Portfolio monitoring

31. Over the course of the reporting period, the Board considered the second annual performance report of the Fund, covering fiscal year 2012 (July 1 2011–June 30 2012). At the time of publication of the report, nine projects had started implementation and four had been under implementation for over one year. Since that report a total of 22 projects out of the 28 approved to date have begun implementation. A total of USD 55 million has been disbursed to projects as of the date of this report.

32. The largest amount of grant funding approved thus far has been to the Asia-Pacific States with eleven projects totalling USD 68.3 million in grants (37 per cent), followed by Latin America and Caribbean States with eight projects totalling USD 57 million (31 per cent), and Africa with eight projects totalling USD 53.7 million in grants (29 per cent). In terms of sectors, the largest grant amount has gone to water management with USD 33.8 million approved for six projects (18.4 per cent), followed by agriculture with USD 33.2 million approved for five projects (18 per cent).

K. Initial review of the Adaptation Fund

33. The initial review of the Adaptation Fund concluded at CMP 8. On that occasion, the CMP noted “with concern issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund based on the current uncertainty on the prices of certified emission reductions and the continuation of the Adaptation Fund during and beyond the second commitment period of the Kyoto Protocol.”⁶ The CMP further requested “the Adaptation Fund Board to report to the Subsidiary Body for Implementation at its thirty-eighth session on the status of resources of the Fund, trends in the flow of

⁶ Decision 3/CMP.8, paragraph 4.

resources and any identifiable causes of these trends.”⁷ The requested information was prepared by the Board, with the support of the trustee, and submitted to the SBI for consideration.

L. Amendment to the Kyoto Protocol adopted at CMP 8: share of proceeds of other Kyoto Protocol mechanisms

34. The amendment to the Kyoto Protocol adopted by decision 1/CMP.8, following Article 12, paragraph 8, of the Kyoto Protocol, maintained at 2 per cent the share of the proceeds of the CERs issued for project activities, except those in least developed country Parties. In addition, the amendment states “that for the second commitment period, the Adaptation Fund shall be further augmented through a 2 per cent share of the proceeds levied on the first international transfers of AAUs and the issuance of ERUs for Article 6 projects immediately upon the conversion to ERUs of AAUs or RMUs previously held by Parties.”

35. The Board, at its twentieth meeting, received a presentation by the UNFCCC secretariat. The need was raised to request clarification to the CMP about the timing of and procedures/responsibilities for the levy in relation to conversion of ERUs. Particularly, the Board should: a) decide on the hosting of the account for new allowances, and whether to request the CDM Executive Board to facilitate arrangements to use the CDM registry, and b) identify the appropriate entity to monetize AAUs and ERUs. In the event the trustee is identified as such entity, the Board would need to request the services of the trustee for such purposes and negotiate with the trustee amended terms and conditions of services to be provided to the Adaptation Fund.

M. International Aid Transparency Initiative

36. The Fund was ranked as the first among climate finance institutions in the 2012 Aid Transparency Index assessed by the International Aid Transparency Initiative (IATI) and seventeenth out of 72 institutions overall. At its twentieth meeting, the Board decided to take the necessary steps for the Fund to comply with the IATI standard and start publishing IATI-compliant data. The Chair of the Board officially signed the IATI standard on behalf of the Board on 17 April 2013, making the Adaptation Fund the first climate finance institution to sign on to the initiative.

37. At its twenty-first meeting, the Board agreed on an implementation schedule to publish IATI-compliant data by the end of September 2013.

N. Environmental and social policy of the Fund

38. The Board, at its 21st meeting, considered a proposal of environmental and social policy with the aim of strengthening and streamlining the application of environmental and social safeguards in the Fund’s policies and procedures. The Board recognized the importance of this objective and welcomed the proposal presented by the secretariat. It further decided to launch a public call for comments on the aforementioned policy and requested the secretariat to present at the 22nd Board meeting a revised proposal

⁷ Decision 3/CMP.8, paragraph 5.

incorporating the inputs received, and a proposal on how to operationalize the policy, including any necessary changes to the Fund's relevant policies and procedures.⁸

O. Readiness programme for direct access

39. The Board, at its 21st meeting, discussed the need for capacity building for Parties to identify potential NIEs, project/programme design, implementation, and monitoring. The Board recognized the need for a programme to support readiness for direct access to climate finance for NIEs and RIEs, and decided to request the secretariat to present a document containing options for such a programme for consideration at the 22nd Board meeting. The objectives of the programme would be to increase the number of applicant national entities seeking accreditation and the number of high-quality proposals submitted to the Board within a reasonable time after accreditation.⁹

P. Communications

40. The Board increased its efforts to disseminate the Fund's work during the reporting period. The Fund's website and social media were improved and registered record visits and followers. An interactive mapping portal was incorporated to the website to give users full access to the data of projects/programmes in the Fund's portfolio in graphic format. An additional feature of the mapping portal is its unique use of geo-coordinates, which allows users to see where funds are being directed to address adaptation needs at the sub-national level.

41. Board members and the secretariat participated in a number of events to showcase the Fund's experience. In May 2013 the Board and the Government of Sweden hosted a seminar on Supporting Climate Change Adaptation at House of Sweden, Washington, D.C. The World Resources Institute and the United Nations Development Programme also made presentations during the event that was opened by the Swedish Ambassador to the United States. Other events in which the Board or its secretariat participated are: workshop on agricultural adaptation to climate change, organized by the Adaptation and Resilience to Climate Change Initiative of the United States Agency for International Development in Washington, D.C.; the seventh Conference on Community-based Adaptation in Dhaka, Bangladesh; the Programme of Research on Climate Change Vulnerability, Impacts and Adaptation (PROVIA) workshop in London on research priorities for vulnerability, impacts and adaptation to climate change; the first Forum of the UNFCCC Standing Committee on Finance and the tenth Anniversary Edition of Carbon Expo in Barcelona; the Forum of the Standing Committee on Finance in Barcelona; the ICLEI's Fourth Global Forum on Urban Resilience and Adaptation "Resilient Cities 2013 Congress" in Bonn; the thirty-eighth sessions of the Subsidiary Bodies of the UNFCCC; and the fourth meeting of the Standing Committee on Finance.

42. The Board sought to increase the Fund's visibility by instructing the secretariat to ask implementing entities to include the Fund's logo and information in the programme marketing materials, and to include such a request in the legal agreement with implementing entities.¹⁰

43. The secretariat hired a Communications Officer (short-term consultant) in May 2013.

⁸ Decision B.21/23.

⁹ Decision B.21/28.

¹⁰ Decision B.21/25.

Q. Resources in the Adaptation Fund Trust Fund

44. As at 30 June 2013, the trustee had sold 16.5 million Adaptation Fund CERs, at an average price of EUR 8.33, generating revenues of USD 188.3 million. Receipts from the monetization of CERs reached USD 8.27 million during the reporting period. As at 30 June 2013, 10.5 million CERs were still available to be sold, in accordance with the CER Monetization Guidelines adopted by the Adaptation Fund Board. The trustee has also facilitated donations totalling USD 136.1 million, in accordance with the Board's donation guidelines. Based on Adaptation Fund Board decisions, the Trustee has transferred a total of USD 79.6 million up to June 30, 2013, including USD 58.5 million related to projects and programs.

45. Funds available for new funding approvals amounted to USD 115.8 million by 30 June 2013. At current CER prices and estimated CER issuance levels, it is estimated that the Adaptation Fund would receive only approximately the equivalent of USD 18–34 million in cumulative additional revenue to 2020. If outstanding pledges amounting to an equivalent of USD 14.9 million are also paid, the Fund would have resources totalling USD 149–165 million, or approximately USD 22 million per year for new funding commitments.

R. Dialogue with civil society organizations

46. The Board, at its 12th meeting, initiated regular dialogue sessions with civil society organizations in order to listen to their proposals, receive feedback on the issues comprising the Board agenda, and exchange views. The sessions are part of the Board agenda.

S. Extension of the terms and conditions of services provided by the World Bank as Interim Trustee for the Adaptation Fund

47. At its eighth session, the CMP decided to extend the terms and conditions of services of the World Bank as trustee of the Adaptation Fund for an additional 14 months, until June 2015 (decision 4/CMP.8). This decision states that the CMP:

“3. Decides that the interim institutional arrangements of the trustee of the Adaptation Fund, as provided by decision 1/CMP.3 and contained in the terms and conditions of services to be provided by the International Bank for Reconstruction and Development (the World Bank) as trustee of the Adaptation Fund, adopted by decision 1/CMP.4 and amended by decision 5/CMP.6, will be extended until June 2015;

4. Requests the Chair of the Adaptation Fund Board to discuss with the World Bank the extension of the term of the trustee's services under the terms and conditions of services to be provided by the International Bank for Reconstruction and Development (the World Bank) as trustee for the Adaptation Fund, in accordance with paragraph 3 above, and to submit a recommendation for consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session;”

48. The Adaptation Fund Board recommends that the CMP adopt the decision attached as annex I. This revision will be effective upon adoption by the CMP, and subsequently by the Board of Directors of the World Bank.

III. Support to the Adaptation Fund Board for the implementation of its mandate

49. Decision 4/CMP.5, paragraph 9 “encourages Parties included in Annex I to the Convention and international organizations to provide funding to the Adaptation Fund, which will be additional to the shares of the proceeds from clean development mechanism project activities.” Furthermore, by decision 6/CMP.7, paragraph 5, the CMP continues to encourage the provision of funding by Parties included in Annex I to the Convention and international organizations.

50. At its fourteenth meeting the Board discussed the need to raise additional funds and decided to request the Manager of the Adaptation Fund Board secretariat to undertake fundraising activities with donors in consultation with the Chair. The Board has also made progress in its deliberations over a fundraising strategy. The Board held two sessions of the dialogue with donors in the margins of the COP 18/CMP 8 in Doha, December 2012 and of the thirty-eighth meetings of the UNFCCC subsidiary bodies in Bonn, June 2013. Another session is scheduled to take place in the margins of COP 19/CMP 9 in Warsaw.

51. At its 19th meeting the Board decided to establish a task force of Board members that works in conjunction with the secretariat on outreach, strategy, and other efforts to achieve the interim USD 100 million fundraising target by the end of 2013. The Board appointed Ms. Ana Fornells de Frutos (Spain, Annex I Parties), Ms. Angela Churie-Kallhauge (Sweden, Western European and other States), Ms. Su-Lin Garbett-Shiels (United Kingdom, Annex I Parties), Ms. Laura Dzelzyte (Lithuania, Eastern European States), Mr. Jeffery Spooner (Jamaica, Latin America and Caribbean States), Mr. Mamadou Honadia (Burkina Faso, least developed countries), and Mr. Zaheer Fakir (South Africa, Africa) as members of the task force, with Mr. Fakir as its Coordinator.

52. During the reporting period, the Fund received contributions from Sweden amounting to USD 15 million, and from the Brussels Capital region in Belgium in the amount of USD 1.5 million. During the reporting period, the Government of Australia informed the Board that it will not meet its pledge of AUD 15 million. The contributions received against the fundraising target of USD 100 million by the end of 2013 amounted to USD 16.5 million. Thus, the fundraising target is yet to be met.

53. The Board would like to express its gratitude to the Governments of Sweden and the Brussels Capital region in Belgium for their support to the Fund during the reporting period. The Board also recognizes the support of the Adaptation Fund Board secretariat, the trustee, and the UNFCCC secretariat.

54. In accordance with decision 1/CMP.3, paragraph 18, the dedicated team of officials comprises four professional staff members: the secretariat’s Manager, two Adaptation Officers and one Operations Officer (Monitoring and Accreditation), and a Programme Assistant, a Junior Professional Associate, and a Short-Term Consultant (Communications).

Annex I

[English Only]

Amendment to the terms and conditions of services to be provided by the International Bank for Reconstruction and Development as trustee for the Adaptation Fund

1. Paragraph 34 of the appendix to annex III to decision 1/CMP.4 shall be revised as follows:

“The Trustee’s role as trustee servicing the Adaptation Fund under the Terms and Conditions shall be automatically terminated on 30 May 2015, unless the CMP and the Trustee affirmatively agree in writing to extend beyond this date the term of the Trustee’s services under the Terms and Conditions.”

Annex II

[English Only]

Adaptation Fund Board Members and Alternate Members

<i>Term of Office¹</i>	<i>Position</i>	<i>Name</i>	<i>Country</i>	<i>Constituency Represented</i>
March 2013	Member	Mr. Yerima Peter Tarfa	Nigeria	African States
	Alternate Member	Mr. Petrus Muteyauli	Namibia	African States
to March 2015	Member	Mr. Ezzat Lewis Hannalla Agaiby	Egypt	African States
	Alternate Member	Mr. Zaheer Fakir	South Africa	African States
(CMP 8 to	Member	Mr. Mohamed Shareef	Maldives	Asia-Pacific States
CMP 10) ²	Alternate Member	Mr. Alamgir Mohammed Monsurul Alam	Bangladesh	Asia-Pacific States
	Member	Mr. W. L. Sumathipala	Sri Lanka	Asia-Pacific States
	Alternate Member	Mr. Ilhomjon Rajabov	Tajikistan	Asia-Pacific States
	Member	Mr. Valeriu Cazac	Moldova	Eastern European States
	Alternate Member	Ms. Medea Inashvili	Georgia	Eastern European States
	Member	Ms. Laura Dzelzyte	Lithuania	Eastern European States
	Alternate Member	Mr. Aram Ter-Zakaryan	Armenia	Eastern European States
	Member	Mr. Philip S. Weech	Bahamas	Latin America and Caribbean States
	Alternate member	Mr. Jeffery Spooner	Jamaica	Latin America and Caribbean States
	Member	Mr. Raúl Pinedo	Panama	Latin America and Caribbean States

¹ Members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms (see decision 1/CMP.3). At the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, half of the members of the Adaptation Fund Board, and their alternate members from the same group, shall continue to serve in office for one additional and final year. The terms as members do not count towards the terms as alternate members, and terms as alternate members do not count towards the terms as members (see decision 1/CMP.4).

² The term of office of a member, or an alternate, shall start at the first meeting of the Board in the calendar year following his or her election and shall end immediately before the first meeting of the Board in the calendar year in which the term ends (see decision 4/CMP.5).

<i>Term of Office¹</i>	<i>Position</i>	<i>Name</i>	<i>Country</i>	<i>Constituency Represented</i>
	Alternate member	Ms. Irina Helena Pineda Aguilar	Honduras	Latin America and Caribbean States
	Member	Mr. Hans Olav Ibrek	Norway	Western European and other States
	Alternate member	Mr. Anton Hilber	Switzerland	Western European and other States
	Member	Ms. Su-Lin Garbett-Shiels	United Kingdom of Great Britain and Northern Ireland	Western European and other States
	Alternate member	Mr. Marc-Antoine Martin	France	Western European and other States
	Member	Mr. Peceli Vocea	Fiji	Small island developing States
	Alternate member	Mr. Paul Elreen Phillip	Grenada	Small island developing States
	Member	Mr. Mamadou Honadia	Burkina Faso	Least developed countries
	Alternate member	Mr. Adao Soares Barbosa	Timor Leste	Least developed countries
	Member	Ms. Ana Fornells de Frutos	Spain	Annex I Parties
	Alternate member	Mr. Kotaro Kawamata	Japan	Annex I Parties
	Member	Ms. Angela Churie-Kallhauge	Sweden	Annex I Parties
	Alternate member	Mr. Markku Kanninen	Finland	Annex I Parties
	Member	Ms. Celia Pigueron Wirz	Mexico	Non-Annex I Parties
	Alternate member	Ms. Patience Dampney	Ghana	Non-Annex I Parties
	Member	Mr. Bruno Sekoli	Lesotho	Non-Annex I Parties
	Alternate member	Mr. Boubacar Dembele Sidiki	Mali	Non-Annex I Parties

Annex III

[English Only]

**Actual fiscal year 2013 and approved fiscal year 2014 budget of the
Adaptation Fund Board and the secretariat, and the trustee**

<i>All amounts in USD</i>		<i>Approved FY13</i>	<i>Actual Estimated FY13</i>	<i>Approved FY14</i>
Board And Secretariat				
01	Personnel	1,769,747	1,473,247	1,511,491
02	Travel	737,400	573,400	933,400
03	General operations	351,323	255,000	263,870
04	Meetings	500,000	350,000	630,000
Sub-total Board and secretariat		3,358,470	2,651,647	3,338,761
Trustee				
01	Certified emission reduction monetization	520,000	431,000	455,000
02	Financial and Program Management	173,000	186,000	210,000
03	Investment Management	70,000	89,000	70,000
04	Accounting and Reporting	56,000	56,000	56,000
05	Legal Services	15,000	15,000	20,000
06	External Audit	60,000	42,000	60,000
Sub-total trustee services		894,000	819,000	871,000
07	Special Initiative: FIF IT Systems	150,000	150,000	
Sub-total trustee		1,044,000	969,000	871,000
Grand total all components		4,402,470	3,620,647	4,209,761

Annex IV

[English Only]

List of accredited implementing entities

A. National Implementing Entities (NIEs)

1. Agencia de Cooperacion Internacional de Chile (Chile)
2. Agencia Nacional de Investigacion e Innovacion (Uruguay)
3. Agency for Agricultural Development (Morocco)
4. Centre de Suivi Ecologique (Senegal)
5. Fundecooperacion Para el Desarrollo Sostenible (Costa Rica)
6. Mexican Institute of Water Technology (Mexico)
7. Ministry of Natural Resources (Rwanda)
8. Ministry of Planning and International Cooperation (Jordan)
9. National Bank for Agriculture and Rural Development (India)
10. National Environment Fund (Benin)
11. National Environment Management Authority (Kenya)
12. Planning Institute of Jamaica (Jamaica)
13. Protected Areas Conservation Trust (Belize)
14. South African National Biodiversity Institute (South Africa)
15. Unidad para Cambio Rural (Argentina)

B. Multilateral Implementing Entities (MIEs)

1. African Development Bank (AfDB)
2. Asian Development Bank (ADB)
3. Inter-American Development Bank (IDB)
4. International Fund for Agricultural Development (IFAD)
5. United Nations Development Programme (UNDP)
6. United Nations, Education, Scientific, and Cultural Organization (UNESCO)
7. United Nations Environment Programme (UNEP)
8. United Nations World Food Programme (WFP)
9. World Bank (International Bank for Reconstruction and Development)
10. World Meteorological Organization (WMO)

C. Regional Implementing Entities (RIEs)

1. Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (North, West and East Africa)
2. West African Development Bank (West Africa)

Annex V

[English Only]

Project Funding Approvals by the Board since CMP 8

19th Adaptation Fund Board meeting funding decisions (13 December 2012)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Total Amount	Decision
1. Projects and Programmes:											
	Argentina	WB	AFB/PPRC.10/9	3,960,200.00	336,617.00			4,296,817.00	8.5%	4,296,817.00	Approved
	Sri Lanka	WFP	AFB/PPRC.10/16	7,363,804.00	625,923.00			7,989,727.00	8.5%	7,989,727.00	Approved
	Cuba	UNDP	AFB/PPRC.10/10	5,592,000.00	475,320.00			6,067,320.00	8.5%	6,067,320.00	Placed in pipeline
	Guatemala	UNDP	AFB/PPRC.10/12	5,000,000.00	425,000.00			5,425,000.00	8.5%	5,425,000.00	Placed in pipeline
	Myanmar	UNDP	AFB/PPRC.10/14	7,289,425.00	619,601.00			7,909,026.00	8.5%	7,909,026.00	Placed in pipeline
	Seychelles	UNDP	AFB/PPRC.10/15	5,950,000.00	505,750.00			6,455,750.00	8.5%	6,455,750.00	Placed in pipeline
	Ghana	UNDP	AFB/PPRC.10/11	7,644,214.00	649,758.19			8,293,972.19	8.5%		Not approved
	Mauritania	WMO	AFB/PPRC.10/13	1,990,764.00	169,216.00			2,159,980.00	8.5%		Not approved
	Uzbekistan	UNDP	AFB/PPRC.10/17	5,950,000.00	505,750.00			6,455,750.00	8.5%		Not approved
	Sub-total			50,740,407.00	4,312,935.19	0.00	0.00	55,053,342.19	8.5%	12,286,544.00	
2. Project Formulation Grant:											
	Jordan	MOPIC	AFB/PPRC.10/6/Add.	30,000.00		30,000.00					Not approved
	Sub-total			30,000.00		30,000.00				0.00	
3. Concepts:											
	Niger	BOAD	AFB/PPRC.10/7	9,135,000.00	776,000.00		9,911,000.00		8.5%	9,911,000.00	Endorsed
	Jordan	MOPIC	AFB/PPRC.10/6	9,105,000.00	500,775.00	9,605,775.00			5.5%		Not endorsed
	Togo	BOAD	AFB/PPRC.10/8	9,100,000.00	773,000.00		9,873,000.00		8.5%		Not endorsed
	Sub-total			27,340,000.00	2,049,775.00	9,605,775.00	19,784,000.00	0.00	7.5%	9,911,000.00	
4. Total (4 = 1 + 2 + 3)				78,110,407.00	6,362,710.19	9,635,775.00	19,784,000.00	55,053,342.19	8.1%	22,197,544.00	

20th Adaptation Fund Board meeting funding decisions (4 April 2013)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Total Amount	Decision
1. Projects and Programmes:											
	Argentina	UCAR	AFB/PPRC.11/5	5,360,000	280,000	5,640,000			5.2%	5,640,000	Approved
	Belize	WB	AFB/PPRC.11.6	5,530,000	470,000			6,000,000	8.5%	6,000,000	Placed in the pipeline
	Ghana	UNDP	AFB/PPRC.11/7	7,644,214	649,758			8,293,972	8.5%	8,293,972	Placed in the pipeline
	Uzbekistan	UNDP	AFB/PPRC.11/8	4,990,878	424,225			5,415,103	8.5%	5,415,103	Placed in the pipeline
	Sub-total			23,525,092	1,823,983	5,640,000	0	19,709,075	7.8%	5,640,000	
2. Project Formulation Grant:											
	Rwanda	MINIRENA	AFB/PPRC.11/4/Add.1	30,000		30,000				30,000	Approved
	Sub-total			30,000		30,000				30,000	
3. Concepts:											
	Rwanda	MINIRENA	AFB/PPRC.11/4	9,229,801	675,067	9,904,868			7.3%	0	Endorsed
	Sub-total			9,229,801	675,067	9,904,868	0	0	7.3%	0	
4. Administrative Budget:											
										4,231,613	Approved
5. Total (5 = 1 + 2 + 3 + 4)				32,784,893	2,499,050	15,574,868	0	19,709,075	7.6%	9,901,613	

21st Adaptation Fund Board meeting funding decisions (3 July 2013)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Total Amount	Decision
1. Projects and Programmes:											
	Benin	FNE	AFB/PPRC.12/8	8,347,000	709,000	9,056,000			8.5%		Not approved
	Mali	UNDP	AFB/PPRC.12/9	7,864,837	668,511			8,533,348	8.5%	8,533,348	Placed in the pipeline
	Nepal	WFP	AFB/PPRC.12/10	8,262,604	702,321			8,964,925	8.5%		Not approved
	Sub-total			24,474,441	2,079,832	9,056,000		17,498,273	8.5%	0	
2. Project Formulation Grant:											
	Costa Rica	Fundecooperación	AFB/PPRC.12/4/Add.1	30,000		30,000					Not approved
	South Africa (1)	SANBI	AFB/PPRC.12/5/Add.1	30,000		30,000				30,000	Approved
	South Africa (2)	SANBI	AFB/PPRC.12/6/Add.1	30,000		30,000				30,000	Approved
	Sub-total			90,000		90,000				60,000	
3. Concepts:											
	Costa Rica	Fundecooperación	AFB/PPRC.12/4	9,190,000	780,000	9,970,000			8.5%		Not endorsed
	Indonesia	WFP	AFB/PPRC.12/7	5,520,125	469,210			5,989,335	8.5%		Not endorsed
	South Africa (1)	SANBI	AFB/PPRC.12/5	7,325,000	622,625	7,947,625			8.5%	7,947,625	Endorsed
	South Africa (2)	SANBI	AFB/PPRC.12/6	1,829,500	155,507.5	1,985,007.5			8.5%	1,985,008	Endorsed
	Sub-total			23,864,625	2,027,342.5	19,902,632.5		5,989,335	8.5%	0	
4. Total (4 = 1 + 2 + 3)				48,429,066	4,107,174.5	29,048,632.5		23,487,608	8.5%	60,000	