

**UNFCCC  
Climate Finance Decision Booklet**

<b>Decisions from Katowice (CP.24/CMP.14)</b>	<b>2018</b>
<b>Decisions from Bonn (CP.23/CMP.13)</b>	<b>2017</b>
<b>Decisions from Marrakech (CP.22/CMP.12)</b>	<b>2016</b>
<b>Decisions from Paris (CP.21/CMP.11)</b>	<b>2015</b>
<b>Decisions from Lima (CP.20/CMP.10)</b>	<b>2014</b>
<b>Decisions from Warsaw (CP.19/CMP.9)</b>	<b>2013</b>
<b>Decisions from Doha (CP.18/CMP.8)</b>	<b>2012</b>
<b>Decisions from Durban (CP.17)</b>	<b>2011</b>
<b>Decisions from Cancun (CP.16/CMP.6)</b>	<b>2010</b>
<b>Decisions from Copenhagen (CP.15/CMP.5)</b>	<b>2009</b>
<b>Decisions from Poznań (CP.14/CMP.4)</b>	<b>2008</b>
<b>Decisions from Bali (CMP.3)</b>	<b>2007</b>
<b>Decisions from Nairobi (CP.12/CMP.2)</b>	<b>2006</b>
<b>Decisions from Montreal (CP.11/CMP.1)</b>	<b>2005</b>
<b>Decisions from Milan (CP.9)</b>	<b>2003</b>
<b>Decisions from Marrakesh (CP.7)</b>	<b>2001</b>

Edited on 4 March 2019  
By Climate Finance & Capacity Building Sub-programme

This copy belongs to: \_\_\_\_\_



# Table of Contents

<b>Climate finance decisions from Katowice</b>	<b>CP.24/CMP.14</b>
Long-term climate finance.....	<b>3/CP.24</b>
Report of the Standing Committee on Finance.....	<b>4/CP.24</b>
<i>Summary and recommendations by the SCF on the 2018 Biennial Assessment and Overview of Climate Finance Flows</i>	<b>Annex</b>
Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund....	<b>5/CP.24</b>
Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility.....	<b>6/CP.24</b>
Process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement.....	<b>12/CMA.1</b>
Matters relating to the Adaptation Fund	<b>13/CMA.1</b>
<b>Climate finance &amp; capacity building decisions from Bonn</b>	<b>CP.23/CMP.13</b>
Long-term climate finance.....	<b>6/CP.23</b>
Report of the Standing Committee on Finance.....	<b>7/CP.23</b>
Review of the functions of the Standing Committee on Finance	<b>8/CP.23</b>
Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund.....	<b>9/CP.23</b>
Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility...	<b>10/CP.23</b>
Sixth review of the Financial Mechanism.....	<b>11/CP.23</b>
Process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement	<b>12/CP.23</b>
Annual technical progress report of the Paris Committee on Capacity-building for 2017.....	<b>16/CP.23</b>
Fourth review of the implementation of the framework for capacity-building in countries with economies in transition	<b>17/CP.23</b>

Report of the Adaptation Fund Board .....	1/CMP.13
Third Review of the Adaptation Fund.....	2/CMP.13
Fourth review of the implementation of the framework for capacity-building in countries with economies in transition under the Kyoto Protocol.....	4/CMP.13

**Climate finance & capacity building decisions from Marrakech** CP.21/CMP.11

Paris Committee on Capacity-building.....	2/CP.22
Long-term climate finance.....	7/CP.22
Report of the Standing Committee on Finance.....	8/CP.22
Terms of reference for the review of the functions of the Standing Committee on Finance.....	9/CP.22
Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund	10/CP.22
Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility	11/CP.22
Sixth review of the Financial Mechanism.....	12/CP.22
Initiation of a process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement.....	13/CP.22
Linkages between the Technology Mechanism and the Financial Mechanism of the Convention.....	14/CP.22
Third comprehensive review of the implementation of the framework for capacity-building in developing countries under the Convention.....	16/CP.22
Third Review of the Adaptation Fund.....	1/CMP.12
Report of the Adaptation Fund Board.....	2/CMP.12
Third comprehensive review of the implementation of the framework for capacity-building in developing countries under the Kyoto Protocol.....	6/CMP.12

**Climate finance & capacity building decisions from Paris** CP.21/CMP.11

Adoption of the Paris Agreement.....	1/CP.21
<i>Paris Agreement</i> .....	Annex
Long-term climate finance.....	5/CP.21
Report of the SCF.....	6/CP.21
Report of the GCF to the COP and guidance to the GCF.....	7/CP.21
Report of the GEF to the COP and guidance to the GEF.....	8/CP.21
Methodologies for the reporting of financial information by Parties included in Annex I to the Convention.....	9/CP.21
Linkages between the Technology Mechanism and the Financial Mechanism of the Convention.....	13/CP.21
Capacity-building under the Convention.....	14/CP.21
Report of the Adaptation Fund Board.....	1/CMP.11
Capacity-building under the Kyoto Protocol.....	9/CMP.11

## **Climate finance decisions from Lima** CP.20/CMP.10

Lima Call for Climate Action.....	1/CP.20
<i>Elements for a draft negotiating text</i> .....	Annex
Long-term climate finance.....	5/CP.20
Report of the SCF.....	6/CP.20
Report of the GCF to the COP and guidance to the GCF.....	7/CP.20
Report of the GEF to the COP and guidance to the GEF.....	8/CP.20
Fifth review of the financial mechanism .....	9/CP.20
Further guidance to the LDCF .....	10/CP.20
Methodologies for the reporting of financial information by Parties included in Annex I to the Convention.....	11/CP.20
Report of the Adaptation Fund Board.....	1/CMP.10
Second review of the Adaptation Fund.....	2/CMP.10

## **Climate finance decisions from Warsaw** CP.19/CMP.9

Long-term climate finance.....	3/CP.19
--------------------------------	---------

Report of the GCF to the COP and guidance to the GCF.....	<b>4/CP.19</b>
Arrangements between the COP and the GCF.....	<b>5/CP.19</b>
<i>Arrangements between the COP and the GCF.....</i>	<b>Annex</b>
Report of the GEF to the COP and guidance to the GEF.....	<b>6/CP.19</b>
Report of the SCF to the COP.....	<b>7/CP.19</b>
Fifth review of the financial mechanism .....	<b>8/CP.19</b>
<i>Updated guidelines for the fifth review of the Financial Mechanism.....</i>	<b>Annex</b>
Report of the Adaptation Fund Board.....	<b>1/CMP.9</b>
Second review of the Adaptation Fund.....	<b>2/CMP.9</b>
<i>TOR for the second review of the Adaptation Fund.....</i>	<b>Annex</b>

## **Climate finance & capacity building decisions from Doha**

**CP.18/CMP.8**

Agreed outcome pursuant to the Bali Action Plan - <i>Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation.....</i>	<b>1/CP.18 – V</b>
Agreed outcome pursuant to the Bali Action Plan - <i>Enhanced action on capacity-building.....</i>	<b>1/CP.18- VI</b>
Work programme on long-term finance.....	<b>4/CP.18</b>
Report of the Standing Committee.....	<b>5/CP.18</b>
Report of the GCF to the COP and guidance to the GCF.....	<b>6/CP.18</b>
Arrangements between the COP and the GCF.....	<b>7/CP.18</b>
Review of the financial mechanism.....	<b>8/CP.18</b>
Report of the GEF to the COP and additional guidance to the GEF.....	<b>9/CP.18</b>
Further guidance to the LDCF.....	<b>10/CP.18</b>
Capacity-building under the Convention for countries with economies in transition.....	<b>21/CP.18</b>

Report of the Adaptation Fund Board.....	<b>3/CMP.8</b>
Initial review of the Adaptation Fund.....	<b>4/CMP.8</b>
Capacity-building under the Kyoto Protocol <i>for developing countries</i> .....	<b>10/CMP.8</b>
Capacity-building under the Kyoto Protocol <i>for countries with economies in transition</i> .....	<b>11/CMP.8</b>

## **Climate finance & capacity building decisions from Durban**

**CP.17/CMP.7**

Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention..... <i>Standing Committee, Long-term Finance</i>	<b>2/CP.17</b>
<i>Composition and working modalities of the Standing Committee</i> .....	<b>Annex VI</b>

Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention <i>Capacity-building</i> .....	<b>2/CP.17</b>
Launching the Green Climate Fund.....	<b>3/CP.17</b>
<i>Governing Instrument of the GCF</i> .....	<b>Annex</b>
Capacity-building under the Convention.....	<b>13/CP.17</b>
Capacity-building under the Kyoto Protocol.....	<b>15/CMP.7</b>

## **Climate finance & capacity building decisions from Cancun**

**CP.16/CMP.6**

The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention <i>A: Finance</i> .....	<b>1/CP.16</b>
<i>C. Capacity-building</i> .....	<b>1/CP.16</b>
Capacity-building under the Convention for developing countries.....	<b>10/CP.16</b>
Draft 10/CP.16 Capacity-building under the Convention for developing countries.....	<b>Annex</b>

Report of the Adaptation Fund Board.....	<b>5/CMP.6</b>
Capacity-building under the Kyoto Protocol for developing countries.....	<b>11/CMP.6</b>
Draft decision 11/CMP.6 [Capacity-building under the Kyoto Protocol. ....	<b>Annex</b>

## **Climate finance & capacity building decisions from Copenhagen**

**CP.15/CMP.5**

Capacity-building for developing countries under the Convention.....	<b>8/CP.15</b>
Report of the Adaptation Fund Board.....	<b>4/CMP.5</b>
Capacity-building for developing countries under the Convention.....	<b>7/CMP.5</b>

## **Climate finance & capacity building decisions from Poznań**

**CP.14/CMP.4**

Capacity-building for developing countries under the Convention.....	<b>6/CP.14</b>
First report of the Adaptation Fund Board.....	<b>1/CMP.4</b>
Rules of procedure of the Adaptation Fund Board.....	<b>Annex I</b>
Legal arrangements for the secretariat of the Adaptation Fund Board.....	<b>Annex II</b>
Legal Arrangements between the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol and The International Bank for Reconstruction and Development (World Bank) Regarding the Services to be Provided by the Trustee for the Adaptation Fund.....	<b>Annex III</b>
Strategic Priorities, Policies and Guidelines of the Adaptation Fund.....	<b>Annex IV</b>
Capacity-building for developing countries under the Kyoto Protocol.....	<b>6/CMP.4</b>

## **Climate finance decisions from Bali**

**CP.13/CMP.3**



Eligibility for funding from the AF, strategic priorities, policies and guidelines of the AF, decision on OEs, reporting obligation to CMP .....	1/CMP.3
--	---------

<b>Climate finance &amp; capacity building decisions from Nairobi</b>	<b>CP.12/CMP.2</b>
---	--------------------

Capacity-building under the Convention.....	4/CP.12
Adaptation Fund	5/CMP.2
Capacity-building under the Kyoto Protocol.....	6/CMP.2

<b>Climate finance &amp; capacity building decisions from Montreal</b>	<b>CP.11/CMP.1</b>
--	--------------------

Further guidance relating to the clean development mechanism .....	7/CMP.1
--	---------

Initial guidance to an entity entrusted with the operation of the financial mechanism of the Convention, for the operation of the Adaptation Fund.....	28/CMP.1
--	----------

Capacity-building relating to the implementation of the Kyoto Protocol in developing countries .....	29/CMP.1
--	----------

Capacity-building relating to the implementation of the Kyoto Protocol in Parties with economies in transition .....	30/CMP.1
--	----------

<b>Climate finance &amp; capacity building decisions from Buenos Aires</b>	<b>CP.10</b>
--	--------------

Capacity-building for developing countries (non-Annex I Parties) .....	2/CP.10
--	---------

Capacity-building for countries with economies in transition	3/CP.10
--	---------

<b>Capacity building decisions from Milan</b>	<b>CP.9</b>
---	-------------

Additional guidance to an operating entity of the financial mechanism .....	4/CP.9
---	--------

Capacity-building .....	9/CP.9
-------------------------	--------

## **Climate finance & capacity building decisions from Marrakesh**

**CP.7**

The Marrakesh Accords: <i>Capacity-building in developing countries (non-Annex I Parties</i> ^.....	<b>2/CP.7</b>
Framework for capacity-building in developing countries	<b>Annex</b>
Capacity-building in countries with economies in transition	<b>3/CP.7</b>
Framework for capacity-building in economies in transition	<b>Annex</b>
Implementation of Article 4, paragraphs 8 and 9, of the Convention (decision 3/CP.3 and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol) .....	<b>5/CP.7</b>
Funding under the Kyoto Protocol.....	<b>10/CP.7</b>



## Long-term climate finance

*The Conference of the Parties,*

*Recalling Articles 4 and 11 of the Convention,*

*Also recalling* decision 1/CP.16, paragraphs 2, 4 and 97–101, as well as decisions 1/CP.17, 2/CP.17, paragraphs 126–132, 4/CP.18, 3/CP.19, 5/CP.20, 5/CP.21, 7/CP.22, and 6/CP. 23,

1. *Welcomes with appreciation* the 2018 Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance, in particular its key findings and recommendations highlighting the increase in climate finance flows from developed country Parties to developing country Parties;<sup>1</sup>
2. *Also welcomes with appreciation* the continued progress of developed country Parties towards reaching the goal of mobilizing jointly USD 100 billion annually by 2020, in the context of meaningful mitigation action and transparency on implementation, in accordance with decision 1/CP.16;
3. *Recalls* the commitment of developed country Parties, in the context of meaningful mitigation action and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing country Parties in accordance with decision 1/CP.16, and *urges* developed country Parties to continue to scale up mobilized climate finance towards achieving this goal;
4. *Urges* developed country Parties to continue their efforts to channel a substantial share of public climate funds to adaptation activities and to strive to achieve a greater balance between finance for mitigation and for adaptation, recognizing the importance of adaptation finance and the need for public and grant-based resources for adaptation;
5. *Welcomes* the biennial submissions received to date from developed country Parties on their strategies and approaches for scaling up climate finance from 2018 to 2020 in accordance with decision

---

<sup>1</sup> FCCC/CP/2018/8, annex II.

3/CP.19, paragraph 10,<sup>2</sup> and *urges* those developed country Parties that have not yet done so to submit this information;

6. *Requests* the secretariat, in line with decision 5/CP.20, paragraph 11, to prepare a compilation and synthesis of the biennial submissions referred to in paragraph 5 above in order to inform the in-session workshops referred to in paragraph 9 below;
7. *Welcomes* the progress of Parties' efforts to strengthen their domestic enabling environments in order to attract climate finance, and *requests* Parties to continue to enhance their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance in accordance with decision 3/CP.19;
8. *Notes with appreciation* the summary report<sup>3</sup> on the 2018 in-session workshop on long-term climate finance, and invites Parties and relevant institutions to consider the key messages therein;
9. *Decides* that the in-session workshops on long-term climate finance in 2019 and 2020 will focus on:
  - (a) The effectiveness of climate finance, including the results and impacts of finance provided and mobilized;
  - (b) The provision of financial and technical Support to developing country Parties for their adaptation and Mitigation actions in relation to holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels;
10. *Requests* the secretariat to organize the in-session workshops referred to in paragraph 9 above and to prepare summary reports on the workshops for consideration by the Conference of the Parties at its twenty-fifth session (November 2019) and twenty-sixth session (November 2020) respectively;
11. *Also requests* the secretariat to continue to ensure that the workshops are well-balanced by, inter alia, inviting both public and private sector actors to attend them and summarizing the views expressed at the workshops in a fair and gender-balanced manner;
12. *Welcomes* the third biennial high-level ministerial dialogue on climate finance, convened in accordance with decision 3/CP.19, and

---

<sup>2</sup> Available at <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>

<sup>3</sup> FCCC/CP/2018/4

*looks forward* to the summary of the Presidency of the Conference of the Parties of the deliberations of the dialogue for consideration by the Conference of the Parties at its twenty-fifth session;<sup>4</sup>

13. *Decides* that the fourth biennial high-level ministerial dialogue on climate finance, to be convened in 2020 in accordance with decision 3/CP.19, will be informed by the reports on the in-session workshops on long-term climate finance and the 2020 Biennial Assessment and Overview of Climate Finance Flows.
- 

---

<sup>4</sup>As per decision 7/CP.22, paragraph 16

## Report of the Standing Committee on Finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decisions 1/CP.16, paragraph 112, and 2/CP.17, paragraphs 120 and 121, as well as decisions 5/CP.18, 7/CP.19, 6/CP.20, 6/CP.21 and 8/CP.22 and 7/CP.23,

1. *Welcomes with appreciation* the report of the Standing Committee on Finance to the Conference of the Parties at its twenty-fourth session, taking note of the recommendations contained therein;<sup>1</sup>
2. *Endorses* the workplan of the Standing Committee on Finance for 2019;<sup>2</sup>
3. *Welcomes with appreciation* the 2018 Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance, in particular the summary and recommendations<sup>3</sup> as contained in the annex;
4. *Encourages* the Standing Committee on Finance to take into account the best available science in future biennial assessment and overviews of climate finance flows;
5. *Requests* the Standing Committee on Finance to use in the biennial assessment an overview of climate finance flows the established terminology in the provisions of the Convention and the Paris Agreement in relation to climate finance, where applicable;
6. *Expresses its appreciation* for the financial contributions provided by the Governments of Belgium, Germany, Norway, the Republic of Korea, Switzerland and the United Kingdom of Great Britain and Northern Ireland, as well as by the European Commission to support the work of the Standing Committee on Finance;

---

<sup>1</sup> FCCC/CP/2018/8.

<sup>2</sup> FCCC/CP/2018/8, annex VI.

<sup>3</sup> <https://unfccc.int/sites/default/files/resource/2018%20BA%20Technical%20Report%20Final.pdf>.

7. *Welcomes* the 2018 Forum of the Standing Committee on Finance on the topic of climate finance architecture with a focus on enhancing collaboration and seizing opportunities, and takes note of the summary report<sup>4</sup> on the Forum;
8. *Expresses its gratitude* to the Governments of the Netherlands, Norway and the Republic of Korea for their support in ensuring the success of the 2018 Forum of the Standing Committee on Finance;
9. *Welcomes* the decision of the Standing Committee on Finance on the topic of its 2019 Forum, which will be climate finance and sustainable cities;
10. *Requests* the Standing Committee on Finance to map, every four years, as part of its biennial assessment and overview of climate finance flows, the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof;
11. *Encourages* the Standing Committee on Finance to provide input to the technical paper of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts on the sources of financial support;<sup>5</sup>
12. *Confirms* the mandates in Article 11, paragraph 3(d), of the Convention, and decisions 12/CP.2, 12/CP.3, 5/CP.19 and 1/CP.21;
13. *Requests* the Standing Committee on Finance to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by the Conference of Parties, starting at its twenty-sixth session (November 2020), and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, starting at its third session (November 2020);
14. *Also requests* the Standing Committee on Finance, in preparing the report referred to in paragraph 13 above, to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations;

---

<sup>4</sup> FCCC/CP/2018/8, annex III.

<sup>5</sup> FCCC/CP/2018/8, paragraph 14(g).



15. *Further requests* that the actions of the Standing Committee on Finance called for in this decision be undertaken subject to the availability of financial resources;
16. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its twenty-fifth session (November 2019) on progress in implementing its workplan.
17. *Also requests* the Standing Committee on Finance to consider the guidance provided to it in other relevant decisions of the Conference of the Parties.

# Annex

## Summary and recommendations by the Standing Committee on Finance on the 2018 biennial assessment and overview of climate finance flows

[English only]

### I. Context and mandates

1. The Standing Committee on Finance (SCF) assists the Conference of the Parties (COP) in exercising its functions with respect to the Financial Mechanism of the Convention, inter alia, in terms of measurement, reporting and verification of support provided to developing country Parties, through activities such as the biennial assessment and overview of climate finance flows.<sup>6</sup>

2. Subsequent to the 2014 BA, the COP requested the SCF to consider: the relevant work of other bodies and entities on measurement, reporting and verification of support and the tracking of climate finance;<sup>7</sup> ways of strengthening methodologies for reporting climate finance;<sup>8</sup> and ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance.<sup>9</sup> It also requested the Ad Hoc Working Group on the Paris Agreement, when developing the modalities, procedures and guidelines for the transparency framework for action and support, to consider, inter alia, information in the BA and other reports of the SCF and other relevant bodies under the Convention.

3. The COP welcomed the summary and recommendations by the SCF on the 2016 BA, which, inter alia, encourages Parties and relevant international institutions to enhance the availability of information that will be necessary for tracking global progress on the goals outlined in Article 2 of the Paris Agreement. The COP requested the SCF, in preparing future BAs, to assess available information on investment needs and plans related to Parties'

---

<sup>6</sup> Decision 2/CP.17, paragraph 121(f).

<sup>7</sup> Decision 1/CP.18, paragraph 71.

<sup>8</sup> Decision 5/CP.18, paragraph 11.

<sup>9</sup> Decision 3/CP.19, paragraph 11.

nationally determined contributions (NDCs) and national adaptation plans.

4. The 2018 BA provides an updated overview of climate finance flows in 2015 and 2016 from provider to beneficiary countries, available information on domestic climate finance and cooperation among Parties not included in Annex I to the Convention (non-Annex I Parties), and the other climate-related flows that constitute global total climate finance flows. It also includes information on trends since the 2014 BA. The 2018 BA then considers the implications of these flows and assesses their relevance to international efforts to address climate change. It explores the key features of climate finance flows, including composition and purposes. It also explores emerging insights into their effectiveness, finance access, and ownership and alignment of climate finance with beneficiary country needs and priorities related to climate change. It also provides information on recent developments in the measurement, reporting and verification of climate finance flows at the international and domestic level, and insights into impact reporting practices.

5. The 2018 BA includes, for the first time, information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including methods and metrics, and data sets on flows, stocks and considerations for integration. It also discusses climate finance flows in the broader context.

6. The 2018 BA comprises this summary and recommendations, and a technical report. The summary and recommendations was prepared by the SCF. The technical report was prepared by experts under the guidance of the SCF and draws on information and data from a range of sources. It was subject to extensive stakeholder input and expert review, but remains a product of the external experts.

## **II. Challenges and limitations**

1. The 2018 BA provides an updated overview of current climate finance flows over the years 2015 and 2016, along with data on trends from 2011 to 2014 collated in previous BA reports. Due diligence has been undertaken to utilize the best information available from the most credible sources. In compiling estimates, efforts have been made to avoid double counting through a focus on primary finance, which is finance for a new physical item or activity. Challenges were nevertheless encountered in collecting, aggregating and analysing information from diverse sources. The lack of clarity

with regard to the use of different definitions of climate finance limits the comparability of data.

2. **Data uncertainty.** There are uncertainties associated with each source of data which have different underlying causes. Uncertainties are related to the data on domestic public investments, resulting from the lack of geographic coverage, differences in the way methods are applied, significant changes in the methods for estimating energy efficiency over the years, and the lack of available data on sustainable transport and other key sectors. Uncertainties also arise from the lack of procedures and data to determine private climate finance; methods for estimating adaptation finance; differences in the assumptions of underlying formulas to attribute finance from multilateral development banks (MDBs) to members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), minus the Republic of Korea; the classification of data as ‘green finance’; and incomplete data on non-concessional flows.

3. **Data gaps.** Gaps in the coverage of sectors and sources of climate finance remain significant, particularly with regard to private investment. Although estimates of incremental investments in energy efficiency have improved, there is still an inadequate understanding of the public and private sources of finance and the financial instruments behind those investments. For sustainable transport, efforts have been made to improve public and private investment in electric vehicles. However, information on sources and instruments for finance in public mass transit remains unreported in many countries. High-quality data on private investments in mitigation and finance in sectors such as agriculture, forests, water and waste management are particularly lacking. In particular, adaptation finance estimates are difficult to compare with mitigation finance estimates due to the former being context-specific and incremental, and more work is needed on estimating climate-resilient investments.

4. The limitations outlined in paragraphs 8 and 9 above need to be taken into consideration when deriving conclusions and policy implications from the 2018 BA. The SCF will contribute, through its activities, to the progressive improvement of the measurement, reporting and verification of climate finance information in future BAs to help address these challenges.

### **III. Key findings**

#### **A. Methodological issues relating to measurement, reporting and verification of public and private climate finance**

##### *1. Developments in the period 2015–2016*

11. Following the recommendations made by the SCF in the 2016 BA, the 2018 BA identifies the improvements listed in paragraphs 12–16 below in the tracking and reporting of information on climate finance.

##### *a. Annex II Parties*

12. Revision of the biennial report (BR) common tabular format (CTF) tables 7, 7(a) and 7(b) has facilitated the provision of more qualitative information on the definitions and underlying methodologies used by Parties included in Annex II to the Convention (Annex II Parties) in the documentation boxes in the BR3 CTF tables. The BR3 CTF tables submitted as at October 2018 suggest some increase in the provision of quantitative information, including information on public financial support in CTF table 7(b) and climate-related private finance in the BRs.

##### *b. International organizations*

13. Making data available on private shares of climate co-finance associated with MDB finance and reporting on amounts mobilized through public interventions deployed by other development finance institutions (DFIs) included in the regular OECD-DAC data collection process.

14. Facilitating the increased transparency of information through biennial surveys to collect information from OECD-DAC members on the measurement basis for reporting (i.e. committed, disbursed or “other”), and on the shares of the activity reported as mitigation, adaptation or cross-cutting to the UNFCCC.

15. Institutionalizing the mitigation and adaptation finance tracking and reporting, and ongoing efforts aimed at better tracking and reporting on projects that have mitigation and adaptation co-benefits (i.e. cross-cutting) among MDBs.

16. Measuring and reporting on impact is now common practice among multilateral climate funds, and there is now growing interest in this field by MDBs and the International Development Finance

Club (IDFC), which are also undertaking work on methodologies for impact measuring in the light of the Paris Agreement. The ongoing efforts of MDBs to develop additional metrics that demonstrate how MDB financing supports climate-resilient development pathways are an important step in this direction.

***c. Insights into reporting by Annex II Parties and non-Annex I Parties***

17. Notwithstanding the improvements in methodologies for reporting climate finance via the BR3 CTF tables 7, 7(a) and 7(b), some reporting issues persist that complicate the aggregation, comparison and analysis of the data. The current “UNFCCC biennial reporting guidelines for developed country Parties”<sup>10</sup> were designed to accommodate reporting on a wide range of climate finance instruments and activities. This required a reporting architecture that was flexible enough to accommodate a diversity of reporting approaches. In some cases, limited clarity with regard to the diversity of reporting approaches limits comparability in climate finance reporting.
18. The current “UNFCCC biennial update reporting guidelines for Parties not included in Annex I to the Convention”<sup>11</sup> for reporting by non-Annex I Parties on financial, technical and capacity-building needs and support received do not require information on underlying assumptions, definitions and methodologies used in generating the information. Nevertheless, the provision of such information is useful.

***d. Insights into broader reporting aspects***

19. Notwithstanding ongoing efforts to make information on domestic climate-related finance available through biennial update reports (BURs), published climate public expenditure and institutional reviews, and other tools, collecting and reporting domestic climate-related finance is often not undertaken systematically, thereby limiting the availability of information.
20. There are significant data gaps on climate finance flows in the context of cooperation among non-Annex I Parties.

---

<sup>10</sup> Decision 2/CP.17, annex I.

<sup>11</sup> Decision 2/CP.17, annex III.

## ***2. Information relevant to Article 2, paragraph 1 (c), of the Paris Agreement: methods and metrics***

21. Ongoing voluntary efforts to develop approaches for tracking and reporting on consistency of public and private sector finance with the Paris Agreement are important for enhancing the collective understanding of the consistency of the broader finance and investment flows with Article 2, paragraph 1(c), of the Paris Agreement.
22. Some financial actors, such as MDBs and bilateral DFIs, have started to develop approaches for tracking the integration of climate change considerations into their operations. However, there was no publicly available information on the progress made on this matter at the time of preparation of the 2018 BA. Ongoing work for developing climate-resilience metrics is important for enhancing understanding of the consistency of multilateral and bilateral development finance with the Paris Agreement.

## **B. Overview of current climate finance flows in 2015–2016**

### **1. Global finance flows**

23. On a comparable basis, climate finance flows increased by 17 per cent in the period 2015–2016 compared with the period 2013–2014. High-bound climate finance estimates increased from USD 584 billion in 2014 to USD 680 billion in 2015 and to USD 681 billion in 2016 (see figure 1). The growth seen in 2015 was largely driven by high levels of new private investment in renewable energy, which is the largest segment of the global total. Despite decreasing technology costs (particularly in solar photovoltaic and wind power generation), which means that every dollar invested finances more renewable energy than it previously did, a significant number of new projects were financed in 2015. In 2016, a decrease in renewable energy investment occurred, which was driven by both the continued decline in renewable technology costs and the lower generation capacity of new projects financed.<sup>12</sup> However, the decrease in

---

<sup>12</sup> Approximately 52 per cent of the decrease in 2016 was due to reduced technology costs in solar photovoltaic and wind energy.

renewable energy investment in 2016 was offset by an 8 per cent increase in investment in energy efficiency technologies across the building, industry and transport sectors.

24. The quality and completeness of data on climate finance has improved since the 2016 BA. Methodological improvements in estimating finance flows have changed the comparative basis against previous estimates. In particular, 2014 estimates for energy efficiency have been revised downward owing to a more accurate bottom-up assessment model being employed by the International Energy Agency. This has resulted in a revised estimate of USD 584 billion from USD 741 billion for total global climate finance in 2014. In addition, data coverage in sustainable transport has improved, with estimates for public and private investment in electric vehicle sales in 2015 and 2016.

***a. Flows from Annex II Parties to non-Annex I Parties as reported in biennial reports***

25. Climate-specific finance reported in BRs submitted by Annex II Parties has increased in terms of both volume and rate of growth since the previous BA. Whereas the total finance reported increased by just 5 per cent from 2013 to 2014, it increased by 24 per cent from 2014 to 2015 (to USD 33 billion), and subsequently by 14 per cent from 2015 to 2016 (to USD 38 billion). Out of these total amounts, USD 30 billion in 2015 and USD 34 billion in 2016 were reported as climate-specific finance channelled through bilateral, regional and other channels; the remainder flowed through multilateral channels. From 2014 to 2016, both mitigation and adaptation finance grew in more or less equal proportions, namely by 41 and 45 per cent, respectively.

***b. Multilateral climate funds***

26. Total amounts channelled through UNFCCC funds and multilateral climate funds in 2015 and 2016 were USD 1.4 billion and USD 2.4 billion, respectively. The significant increase from 2015 to 2016 was a result of the Green Climate Fund (GCF) ramping up operations. On the whole, this represents a decrease of approximately 13 per cent compared with the 2013–2014 biennium and can be accounted for by a reduction in the commitments made by the Climate Investment



Funds, in line with changes in the climate finance landscape as the GCF only started to scale up operations in 2016.

***c. Climate finance from multilateral development banks***

27. MDBs provided USD 23.4 billion and USD 25.5 billion in climate finance from their own resources to eligible recipient countries in 2015 and 2016, respectively. On average, this represents a 3.4 per cent increase from the 2013–2014 period.
28. The attribution of MDB finance flows to members of OECD-DAC, minus the Republic of Korea, is calculated at up to USD 17.4 billion in 2015 and USD 19.7 billion in 2016 to recipients eligible for OECD-DAC official development assistance.

***d. Private climate finance***

29. The most significant source of uncertainty relates to the geographic attribution of private finance data. Although efforts have been made by MDBs and OECD since the 2016 BA to estimate private climate finance mobilized through multilateral and bilateral institutions, data on private finance sources and destinations remain lacking.
30. MDBs reported private finance mobilization in 2015 was USD 10.9 billion and increased by 43 per cent the following year to USD 15.7 billion. OECD estimated USD 21.7 billion in climate-related private finance mobilized during the period 2012–2015 by bilateral and multilateral institutions, which included USD 14 billion from multilateral providers and USD 7.7 billion from bilateral finance institutions. It is estimated that, in 2015, USD 2.3 billion was mobilized through bilateral institutions. The Climate Policy Initiative estimated renewable energy flows for new projects ranged from USD 2.4 billion in 2015 to USD 1.5 billion in 2016; this was, however, a significant underestimation given the underlying reporting approaches.

***e. Recipients***

31. A total of 34 Parties included in Annex I to the Convention provided information on recipients in the BR3s, while 16 out of 40 BURs submitted as first or second BURs as at October 2018 include, to varying degrees, quantitative information on climate finance received in the 2015–2016 period. Therefore, at the time

of the preparation of the 2018 BA, it is not possible to present a clear picture of climate finance received on the basis of the information included in national reports submitted to the secretariat.

32. Other sources of information provide insights on recipients. For example, of the bilateral finance reported to OECD-DAC, national and local governments received 51 and 61 per cent of bilateral climate-related assistance in 2015 and 2016, up from 43 and 42 per cent in 2013 and 2014, respectively. The remainder was received by international organizations, non-governmental organizations and public and private sector organizations from the support-providing countries. No information is available on the channels of delivery for 91–97 per cent of the other official flows of a non-concessional nature in the period 2015–2016. Of the total climate finance committed by MDBs from their own resources, 72 per cent was channelled to public sector recipients in 2015, and 74 per cent in 2016. Adaptation finance, in particular, went predominantly to public sector institutions: 90 per cent in 2015 and 97 per cent in 2016.

## **2. Domestic climate finance**

33. Domestic climate expenditures by national and subnational governments are a potentially growing source of global climate finance, particularly as, in some cases, NDC submissions are translated into specific investment plans and domestic efforts to monitor and track the domestic climate expenditures are stepped up. However, comprehensive data on domestic climate expenditure are not readily available, as these data are not collected regularly or with a consistent methodology over time within or across countries. Of the 30 countries that reported data on climate expenditures included in the 2016 BA, 19 countries provided such data in 2015 or 2016, with the 2015 data for 5 countries being included in the 2016 BA. Four countries reported expenditure of USD 0.335 billion in their BURs, while seven countries published climate public expenditure and institutional reviews amounting to USD 16.5 billion.<sup>13</sup> In two other countries, updated data are available amounting to USD 49 billion. In total, this brings domestic public climate finance estimates for the period 2015–2016 to USD 67 billion.

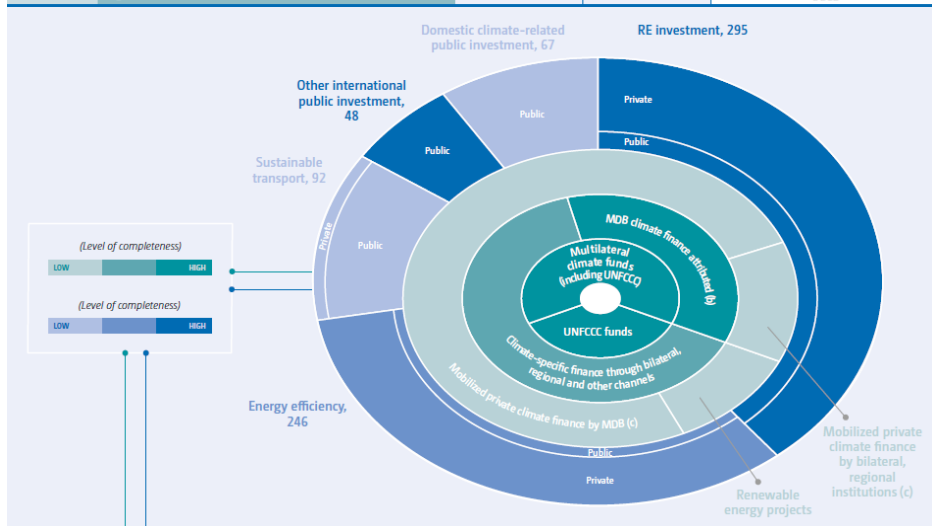
---

<sup>13</sup> This includes Hebei Province in China, reporting an expenditure of USD 6.1 billion in 2015.

- 3. Flows among countries that are not members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development, recipients eligible for official development assistance and Parties not included in Annex I**
34. Information on climate finance flows among non-Annex I Parties is not systematically tracked, relying on voluntary reporting by countries through the OECD-DAC Creditor Reporting System and DFIs through IDFC that are based in countries that are not members of the Organisation for Economic Co-operation and Development (non-OECD). Total estimates of such flows amounted to USD 12.2–13.9 billion in 2015 and USD 11.3–13.7 billion in 2016. This represents an increase of approximately 33 per cent on average from the 2013–2014 period, driven primarily by non-OECD member institutions of IDFC increasing finance significantly to other non-OECD members. New multilateral institutions include the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank. Together, they provided USD 911 million to renewable energy projects in 2016. The AIIB portion of this amount included outflows that may be attributable to OECD-DAC members that are shareholders in AIIB.

Figure 1  
**Climate finance flows in the period 2015-2016**  
 (Billions of United States dollars, annualized)

		2015 (USD billion face value)	2016 (USD billion face value)	Sources of data and relevant chapter
Global total flows	<b>Renewable energy investments</b>	320.9	269.5	Chapter 2.2.1
	Public investment	61.7	52.3	CPI based on multiple sources
	Private investment	259.2	217.1	
	<b>Energy efficiency investments</b>	233.9	257.8	Chapter 2.2.2
	Public investment	25.7	32.9	IEA Energy Efficiency Market Reports/CPI
	Private investment (a)	208.2	224.9	Chapter 2.2.3
	<b>Sustainable transport</b>	78.0	105.8	
	Public investment	69.7	92.5	IEA World Energy Investment Report/CPI
	Private investment	8.3	13.3	Chapter 2.2.2 – 2.2.5
	<b>Other sectors public investment</b>	47.3	47.5	
Domestic climate-related public investment	67.0	67.0	CPI based on multiple sources	
Flows to non-Annex I Parties	<b>UNFCCC funds</b>	0.6	1.6	Chapter 2.3
	Multilateral climate funds (including UNFCCC)			BURs, CPEIRs (UNDP), I4CE
				Chapter 2.5.2
	Climate-specific finance through bilateral, regional and other channels	29.9	33.6	Chapter 2.5.2
	<b>MDB climate finance attributed (b)</b>	17.4	19.7	Fund financial reports, CFU
	Renewable energy projects	2.4	1.5	Chapter 2.5.1
	Mobilized private climate finance by MDB (c)	10.9	15.7	Annex II Party Biennial Reports
	Mobilized private climate finance by bilateral, regional institutions (c)	2.3		Chapter 2.5.2
			Chapter 2.5.4	
			MDB Joint Reports	
			Chapter 2.5.4	
			OECD	



**Abbreviations:** BEV = battery electric vehicle, BUR = biennial update report, CPEIR = climate public expenditure and institutional reviews, CPI = Climate Policy Initiative, IEA = International Energy Agency, I4CE = Institute for Climate Economics, MDB = multilateral development bank, ECD = Organisation for Economic Co-operation and Development, UNDP = United Nations Development Programme.

*a* Value discounts transport energy efficiency estimates by 8.5 per cent to account for overlap with electric vehicle estimates.

*B* From members of the OECD Development Assistance Committee (DAC), minus the Republic of Korea, to OECD-DAC recipients eligible for official development assistance. Refer to chapter 2.5.2 of the 2018 Biennial Assessment and Overview of Climate Finance Flows technical report for further explanation.

*C* Estimates include private co-financing with MDB finance.

#### **4. Information relevant to Article 2, paragraph 1(c), of the Paris Agreement: data sets on flows, stocks and integration**

35. The 2018 BA includes information on available data sets that integrate climate change considerations into insurance, lending and investment decision-making processes and that include information that may be relevant to tracking consistency with Article 2, paragraph 1(c), of the Paris Agreement.
36. Across the financial sector, both the reporting of data on financial flows and stocks consistent with low greenhouse gas (GHG) emissions and climate-resilient pathways, and the integration of climate considerations into decision-making are at a nascent stage. The data sets available on bond markets are the most advanced, with regular and reliable data published based on green bond labelling and analysis of bonds that may be aligned with climate themes. Less information is available on bonds that may be inconsistent with low GHG emissions and climate-resilient pathways. Other market segments lack completeness of coverage and reporting quality across peer institutions. With regard to integrating climate change considerations into investment decision-making, some market segments such as listed corporations and institutional investors are participating in emerging reporting initiatives, including through target-setting processes, that will likely improve the availability of data over time. Other market segments such as insurance companies participate in comprehensive and regular survey reporting on climate integration into governance and risk-management processes. Other market segments, particularly in banking, insurance and financial services, lack breadth of coverage in reporting or are at an early stage of considering how to report data.

### **C. Assessment of climate finance flows**

37. An assessment of the data underlying the overview of climate finance flows presented offers insights into crucial questions of interest in the context of the objective of the Convention and the

goals outlined in the Paris Agreement. Development banks, DFIs and multilateral climate funds play a vital role in helping countries to deliver on their NDCs. The key features of a subset of these different channels of public climate finance for beneficiary countries are summarized in the figure below, including the areas of support (adaptation, mitigation or cross-cutting) and the instruments used to deliver climate finance.

Figure 2  
**Characteristics of international public climate finance flows in the period 2015–2016**

	Annual average USD billion	Area of support				Financial instrument		
		Adaptation	Mitigation	REDD-plus <sup>e</sup>	Cross-cutting	Grants	Concessional loans	Other
Multilateral climate funds <sup>b</sup>	1.9	25%	53%	5%	17%	51%	44%	5%
Bilateral climate finance <sup>c</sup>	31.7	29%	50%	–	21%	47%	52%	<1%
MDB climate finance <sup>d</sup>	24.4	21%	79%	–	–	9%	74%	17%

*Note* : All values are based on approvals and commitments.

*Abbreviations*: MDB = multilateral development bank.

*A* ; In decision 1/CP.16, paragraph 70, the Conference of the Parties encouraged developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities: reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks.

*B* ; Including Adaptation for Smallholder Agriculture Programme, Adaptation Fund, Bio Carbon Fund, Clean Technology Fund, Forest Carbon Partnership Facility, Forest Investment Program, Global Climate Change Alliance, Global Environment Facility Trust Fund, Green Climate Fund, Least Developed Countries Fund, Partnership for Market Readiness, Pilot Programme for Climate Resilience, Scaling Up Renewable Energy Program, Special Climate Change Fund and United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries.

*C* ; Bilateral climate finance data are sourced from biennial reports from Parties included in Annex II to the Convention (that further include regional and other channels) for the annual average. Information related to the United States of America is drawn from preliminary data provided by the United States. The thematic split and the financial instrument data are taken from data from the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), referring only to concessional flows of climate-related development assistance reported by OECD-DAC members. Section C of the summary and recommendations and chapter III of the technical report uses ‘bilateral finance’ to refer only to concessional flows of climate-related development assistance reported by OECD-DAC members.

*D* ; The annual average and thematic split of MDBs includes their own resources only, while the financial instrument data include data from MDBs and from external resources, due to the lack of data disaggregation.

38. Overall, trends in climate finance point to increasing flows towards beneficiary countries. Bilateral climate finance flows, and those channelled through MDBs, have increased since the 2016 BA, whereas flows from the multilateral climate funds have fluctuated, having decreased in 2015 before rebounding in 2016, although the average remains lower than in the 2013–2014 period, which reflects changes in the climate finance landscape.
39. When considering these flows in aggregate, support for mitigation remains greater than support for adaptation across all sources (noting, however, measurement differences). Bilateral finance flows from OECD-DAC providers had the greatest proportion intended for adaptation (29 per cent) in the period 2015–2016, followed by multilateral climate funds (25 per cent) and MDBs (21 per cent). However, the 2018 BA finds an increase in public climate finance flows that contributes towards both adaptation and mitigation from both bilateral contributors and multilateral climate funds. This makes it more difficult to track the progress made in ramping up adaptation finance. When, however, considering flows based on other groupings, there are variations in the composition of the types of support.
40. Grants continue to be a key instrument for the provision of adaptation finance. In the period 2015–2016 grants accounted for 62 and 94 per cent of the face value of bilateral adaptation finance reported to OECD and of adaptation finance from the multilateral climate funds, respectively. During the same period, 9 per cent of adaptation finance flowing through MDBs was grant-based. Mitigation finance remains less concessional in nature, with 25 per cent of bilateral flows, 31 per cent of multilateral climate fund approvals and 4 per cent of MDB investments taking the form of grants. These figures, however, may not fully capture the added value brought by combining different types of financial instruments, or technical assistance with capital flows, which can often lead to greater innovation or more sustainable implementation.
41. With regard to geographic distribution, Asia remains the principal recipient region of public climate finance flows. In the period 2015–2016, the region received 31 per cent of funding from multilateral climate funds, 42 per cent of bilateral finance reported to OECD and 41 per cent of MDB flows (including to the Pacific region). The Latin America and Caribbean region and sub-Saharan Africa each secured 22 per cent of approvals from the multilateral climate funds in the same period. Latin America and the Caribbean received 17 per cent of MDB financing and 10 per cent of bilateral finance reported

to OECD, whereas sub-Saharan Africa received just 9 per cent of MDB financing but 30 per cent of bilateral finance reported to OECD.

42. With regard to flows to the least developed countries (LDCs) and small island developing States (SIDS) in the period 2015–2016, funding directed at the LDCs represented 24 per cent of bilateral flows, whereas that directed at SIDS accounted for 2 per cent of such flows. Of the bilateral finance provided to the LDCs and SIDS, around half was earmarked for adaptation. Similarly, 21 per cent of finance approved by multilateral climate funds went to the LDCs and 13 per cent to SIDS, and more than half of this finance was focused on adaptation. MDBs channelled 15 per cent of their climate finance to the LDCs and SIDS. The percentage of adaptation spending to these countries (41 per cent) is twice their climate finance spending overall.
43. The management of climate finance, as well as the development and implementation of the projects that it supports, necessarily entails costs. The degree of such costs, which are often recovered through mechanisms such as administrative budgets and implementing agency fees, varies across institutions. Among the major multilateral climate change funds, fees account for between 1 and 9 per cent of total fund value, ranging from USD 65,000 to USD 1.2 million per project. Although these costs tend to decrease over time as management and disbursement mechanisms become more streamlined, there is evidence to suggest that the alignment of administrative functions between funds (e.g. the Global Environment Facility administration of the Least Developed Countries Fund and Special Climate Change Fund) offers the best opportunity to keep administrative costs down. This is essential in order to retain the trust that providers and recipients place in the funds.
44. The push to diversify modalities of access to climate finance continues. Institutions in beneficiary countries are increasingly able to meet fiduciary and environmental and social safeguard requirements for accessing funds. There has been a notable increase in the number of regional and national implementing entities to the multilateral climate funds, despite large amounts remaining programmed through multilateral entities.
45. Ownership remains a critical factor in the delivery of effective climate finance. A broad concept of ownership encompasses the consistency of climate finance with national priorities, the degree to



which national systems are used for both spending and tracking, and the engagement of a wide range of stakeholders. There have been a number of efforts to build capacity to access and make strategic choices about how to use finance and oversee implementation. With regard to the role of governments, while there has been greater commitment by ministries of finance and planning to integrate climate finance into national budgetary planning, this is often not done fully. National-level institutions in beneficiary countries are playing a greater role in managing climate finance, particularly through domestic tracking systems. NDCs for which further financial resources need to be found are emerging as a platform that governments can use to stimulate engagement and strengthen national ownership of climate finance.

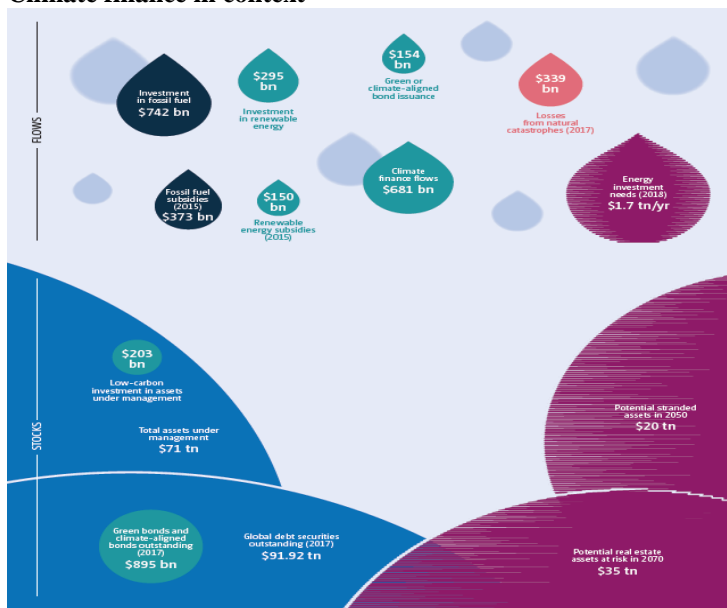
46. Mechanisms for monitoring the impact of climate finance have improved, albeit not uniformly. Thus, although the reporting of results (in terms of outputs) has increased, it is difficult to assess properly the quality of the impacts achieved (i.e. outcomes). These impacts are, moreover, presented in a multitude of formats. The reduction of GHG emissions remains the primary impact metric for climate change mitigation. Core mitigation-related multilateral funds are expected to reduce GHG emissions by over 11 billion tonnes of carbon dioxide equivalent (t CO<sub>2</sub> eq), with reported reductions already approaching 37 million t CO<sub>2</sub> eq. GHG reduction results are complemented by other quantitative data, such as the number of beneficiaries and the renewable energy capacity installed. The metrics, benchmarks and frameworks for monitoring the impact of mitigation projects continue to evolve, thereby helping to inform investment decisions.
47. Discussion on impact measurement of adaptation projects continues to be focused on the number and type of people that benefit from them, although the nature and extent of their beneficial effects are still difficult to quantify, both directly and indirectly. Adaptation finance channelled through core multilateral climate funds has so far reached over 20 million direct beneficiaries. The target for the combined number of direct and indirect beneficiaries is 290 million. Further work is necessary to develop adaptation and resilience metrics that can capture the whole spectrum of sectors receiving support and the many different approaches used, while allowing for aggregation of data and comparability between projects and funds.
48. The extent of co-financing remains important for the mobilization of private finance, but is challenged in terms of the availability of data,

definitions and methods. Research suggests that multilateral climate funds can perform on a par with DFIs with regard to private co-financing ratios. The degree to which such finance can be mobilized, however, is often heavily influenced by the investment conditions in a country, which are in turn created by the policy and regulatory frameworks in place.

**Information relevant to Article 2, paragraph 1(c), of the Paris Agreement: climate finance in context**

49. Climate finance continues to account for just a small proportion of overall finance flows (see figure 3); the level of climate finance is considerably below what one would expect given the investment opportunities and needs that have been identified. However, although climate finance flows must obviously be scaled up, it is also important to ensure the consistency of finance flows as a whole (and of capital stock) pursuant to Article 2, paragraph 1(c), of the Paris Agreement. This does not mean that all finance flows have to achieve explicitly beneficial climate outcomes, but that they must reduce the likelihood of negative climate outcomes. Although commitments are being made to ensure that finance flows from DFIs are climate consistent, more can be done to understand public finance flows and ensure that they are all consistent with countries' climate change and sustainable development objectives.
50. Awareness of climate risk in the financial sector has increased over the past few years. Positive developments are being seen in the sector, particularly with regard to the investment and lending policies of both public and private sector actors, and with regard to regulatory and fiscal policies and the information resources that guide decision-making.

Figure 3  
Climate finance in context



*Note:* All flows are global and annual for 2016 unless stated otherwise. Energy investment needs are modelled under a 2 °C scenario. The representation of stocks that overlap is not necessarily reflective of real-world overlaps. The flows represented are not representative of all flows contributing to the stocks presented. Data points are provided to place climate finance in context and do not represent an aggregate or systematic view. Climate finance flows are those represented in section B of the Summary and Recommendations and as reported in chapter 2 of the 2018 Biennial Assessment and Overview of Climate Finance Flows technical report. Investment in renewable energy overlaps with this estimate of climate finance flows.

*Source :* See figure 3.9 in the 2018 Biennial Assessment and Overview of Climate Finance Flows technical report.

## VI. Recommendations

The SCF invites the COP to consider the following recommendations:

### Chapter I (methodologies)

(a) *Request* developed country Parties and *encourage* developing country Parties, building on progress made so far and ongoing work, to continue enhancing the transparency, consistency and comparability of data on climate finance provided and mobilized

through public interventions, and taking into consideration developments in relevant organizations and institutions;

(b) *Encourage* Parties providing climate finance to enhance their reporting of climate finance provided to developing country Parties;

(c) *Invite* Parties, through their board memberships in international financial institutions, to encourage continued efforts in the harmonization of methodologies for tracking and reporting climate finance among international organizations;

(d) *Encourage* developing country Parties, building on progress made so far and ongoing work, to consider, as appropriate, enhancing their reporting on the underlying assumptions, definitions and methodologies used in generating information on financial, technical and capacity-building needs and support received;

#### Chapter II (overview)

(f) *Encourage* developing country Parties that provide support to report information on climate finance provided to other developing country Parties;

(g) *Encourage* developed countries and climate finance providers, as well as multilateral and financial institutions, private finance data providers and other relevant institutions, to enhance the availability of granular, country-level data on mitigation and adaptation finance, inter alia, transport, agriculture, forests, water and waste;

(h) *Invite* private sector associations and financial institutions to build on the progress made on ways to improve data on climate finance and to engage with the SCF, including through their participation in the forums of the SCF with a view to enhancing the quality of the BA;

(i). *Request* the SCF to continue its work in the mapping of available data sets that integrate climate change considerations into insurance, lending and investment decision-making processes, and to include information relevant to Article 2, paragraph 1(c), of the Paris Agreement in future BAs;

#### Chapter III (assessment)

(j) *Invite* Parties to strive for complementarity between climate finance and sustainable development by, inter alia, aligning climate finance with national climate change frameworks and priorities, as well as broader economic development policies and national budgetary planning;

(k) *Encourage* developing countries to take advantage of available resources through the operating entities of the Financial Mechanism to strengthen institutional capacity for programming their priority climate action, as well as tracking climate finance, effectiveness and impacts;

(l) *Encourage* developed countries and climate finance providers to continue to enhance country ownership and consider policies to balance funding for adaptation and mitigation, taking into account beneficiary country strategies, and, in line with the mandates, building on experiences, policies and practices of the operating entities of the Financial Mechanism, particularly the GCF;

(m) *Encourage* climate finance providers to improve tracking and reporting on gender-related aspects of climate finance, impact measuring and mainstreaming;

(n) *Invite*, as in the 2016 BA, multilateral climate funds, MDBs, other financial institutions and relevant international organizations to continue to advance work on tracking and reporting on impacts of mitigation and adaptation finance;

(o) *Encourage* all relevant United Nations agencies and international, regional and national financial institutions to provide information to Parties through the secretariat on how their development assistance and climate finance programmes incorporate climate-proofing and climate-resilience measures, in line with new available scientific information;

(p) *Request* the SCF, in preparing future BAs, to continue assessing available information on the alignment of climate finance with investment needs and plans related to Parties' NDCs and national adaptation plans;

(q) *Request* the SCF, in preparing the 2020 BA, to take into consideration available information relevant to Article 2 of the Paris Agreement.

## **Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

*The Conference of the Parties,*

*Noting* the draft guidance to the Green Climate Fund prepared by the Standing Committee on Finance,<sup>1</sup>

*Recalling* decision 10/CP.22, paragraph 5,

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties at its twenty- fourth session and its addendum,<sup>2</sup> including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties;
2. *Also welcomes* the progress of the Green Climate Fund in 2018, including:
  - (a) That funding approved by the Board has reached USD 5.5 billion, including USD 4.6 billion in loans, grants, equities and guarantees in the past three years for the implementation of 93 funding proposals for adaptation and mitigation in 96 developing countries;
  - (b) The work to strengthen the Green Climate Fund's institutional capacity, standards and safeguards, transparency, inclusiveness, pipeline and role within the climate finance landscape;
  - (c) The decision of the Board<sup>3</sup> to initiate a review of the performance of the Green Climate Fund to assess the progress of the Fund in delivering on its mandate as set out in its Governing Instrument;
  - (d) The decision of the Board<sup>4</sup> concerning the selection process for the appointment of the Executive Director of the Green Climate Fund secretariat;

---

<sup>1</sup> FCCC/CP/2018/8, annex IV.

<sup>2</sup> FCCC/CP/2018/5 and Add.1.

<sup>3</sup> Green Climate Fund Board decision B.21/17.

<sup>4</sup> Green Climate Fund Board decision B.21/06.

- (e) The decision of the Board to select and appoint the International Bank for Reconstruction and Development as the trustee of the Green Climate Fund;
  - (f) Efforts made to improve access to the Green Climate Fund through the structured dialogues and the Readiness and Preparatory Support Programme;
  - (g) The increase in the number of entities accredited by the Board, including direct access entities;
  - (h) The implementation of the simplified approvals process, including the approval of four projects worth USD 30.1 million in Green Climate Fund funding to date;
  - (i) The collaboration in 2018 between the Green Climate Fund and the Technology Executive Committee and the Climate Technology Centre and Network;
  - (j) The decision of the Board<sup>5</sup> on financial planning in 2019 and the allocation of up to USD 600 million to fund projects submitted in response to requests for proposals and pilot programmes, including the requests for “proposals on REDD-plus results-based payments”, mobilizing funds at scale, micro, small and medium-sized enterprises, enhanced direct access and the simplified approvals process;
  - (k) The first annual report on complementarity and coherence with the Green Climate Fund and other climate finance channels;
3. *Further welcomes* the report on the implementation of the 2018 workplan and the approval of the 2019 workplan of the Board, and urges the Board to address remaining policy gaps, including on, as specified in the Fund’s Governing Instrument and its rules of procedure:
- (a) Policies relating to:
    - (i) The approval of funding proposals, including project and programme eligibility and selection criteria, incremental costs, co-financing, concessionality, programmatic approach, restructuring and cancellation;
    - (ii) Prohibited practices as well as the implementation of the anti-money-laundering and countering the financing of terrorism policy;
  - (b) Review of the accreditation framework;
  - (c) Pursuing privileges and immunities for the Green Climate Fund;

---

<sup>5</sup> Green Climate Fund Board decision B.21/14.

- (d) Consideration of alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests;<sup>6</sup>
- (e) The requests for proposals to support climate technology incubators and accelerators, in accordance with Board decision B.18/03;

4. *Urges* the Board to continue its consideration of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted, as specified in the Fund's Governing Instrument;

5. *Welcomes* the launching of the first formal replenishment process and the Board's decisions on the inputs and processes related to the Fund's replenishment,<sup>7</sup> which take into account the needs of developing countries;

6. *Stresses* the urgency to reach pledges for the first formal replenishment process aiming to conclude the process in October 2019;

7. *Takes note* of the independent evaluations of the readiness and preparatory support programme and encourages the Board to address the recommendations contained therein, in accordance with paragraph 59 of the Governing Instrument, with a view to improving access to the Green Climate Fund and increasing the Fund's efforts to support country ownership and country programming;

8. *Reaffirms* the necessity to focus on implementation and to speed up disbursement of funds to already approved projects as a key element of the Green Climate Fund's operations in line with agreed disbursement schedules;

9. *Invites* Parties to submit to the secretariat via the submission portal,<sup>8</sup> no later than 10 weeks prior to the twenty-fifth session of the Conference of the Parties (November 2019), their views and recommendations on elements to be taken into account in developing guidance for the Board;

10. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph above when preparing its draft guidance for the Board for consideration by the Conference of the Parties;

---

<sup>6</sup> Decision 16/CP.21, paragraph 6, and decision 7/CP.21, paragraph 25.

<sup>7</sup> Green Climate Fund Board decision B.21/18.

<sup>8</sup> [https://unfccc.int/submissions\\_and\\_statements](https://unfccc.int/submissions_and_statements).



11. *Also* requests the Board to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided in this decision;

12. *Decides*, in accordance with decision 1/CP.21, paragraph 61, to transmit to the Green Climate Fund the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in the decisions referred to in decision 3/CMA.1,<sup>9</sup> paragraph 4.

---

---

<sup>9</sup> Decision adopted under agenda item 3 of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at the third part of its first session.

## **Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Noting* the draft guidance to the Global Environment Facility prepared by the Standing Committee on Finance,<sup>1</sup>

1. *Welcomes* the report of the Global Environment Facility to the Conference of the Parties and its addendum,<sup>2</sup> including the responses of the Global Environment Facility to guidance from the Conference of the Parties;
2. *Also welcomes* the seventh replenishment of the Global Environment Facility (July 2018 to June 2022);
3. *Recognizes with concern* the decrease in allocation to the climate change focal area, including the System for Transparent Allocation of Resources, compared with the sixth replenishment;
4. *Urges* all Parties that have not made pledges for the seventh replenishment of the Global Environment Facility to do so as soon as possible;
5. *Acknowledges* the increased integration of climate change priorities into other focal areas and the impact programmes in the seventh replenishment of the Global Environment Facility, as well as the increased focus on innovation and enhanced synergies with other focal areas;
6. *Highlights* the importance of enhancing country ownership in the impact programmes of the seventh replenishment of the Global Environment Facility;
7. *Requests* the Global Environment Facility, as appropriate, to ensure that its policies and procedures related to the

---

<sup>1</sup> FCCC/CP/2018/8, annex V.

<sup>2</sup> FCCC/CP/2018/6 and Add.1.

consideration and review of funding proposals be duly followed in an efficient manner;

8. *Looks forward* to the projected delivery of greenhouse gas emission reductions in the seventh replenishment period, which is twice the amount planned for the sixth replenishment;
9. *Acknowledges* the updated policy on co-financing of the Global Environment Facility,<sup>3</sup> which sets out an ambition for the overall portfolio of the Global Environment Facility to reach an increased ratio of co-financing to its project financing;
10. *Recognizes* that the Global Environment Facility does not impose minimum thresholds and/or specific types or sources of co-financing or investment mobilized in its review of individual projects and programmes;<sup>4</sup>
11. *Welcomes* the inclusion of support for the Capacity-building Initiative for Transparency in the seventh replenishment of the Global Environment Facility, which enhances predictability of funding for the Initiative;
12. *Requests* the Global Environment Facility to continue to manage the Capacity-building Initiative for Transparency to fund a diversity of countries and regions, taking into account each country's capacity, in line with priorities of support as contained in the programming directions of the Capacity-building Initiative for Transparency;<sup>5</sup>
13. *Invites* the Global Environment Facility to enhance the information in its reports to the Conference of the Parties on the outcomes of the collaboration between the Poznan strategic programme on technology transfer's climate technology and finance centres and the Climate Technology Centre and Network;
14. *Requests* the Global Environment Facility to continue to monitor the geographic and thematic coverage, as well as the effectiveness, efficiency and engagement, of the Global Environment Facility Partnership, and to consider the participation of additional national and regional entities, as appropriate;

---

<sup>3</sup> Global Environment Facility Council decision GEF/C.54/10/Rev.01

<sup>4</sup> Global Environment Facility document GEF/C.54/10/Rev. 01, annex I, paragraph 5.

<sup>5</sup> Global Environment Facility document GEF/C.50/06, paragraph 26.

15. *Welcomes* the establishment of the private sector advisory group;
16. *Encourages* a balanced composition of the private sector advisory group in terms of gender and geographical coverage;
17. *Welcomes* the Global Environment Facility Council's decision<sup>6</sup> to begin the process of developing improved fiduciary standards, including anti-money-laundering and counter-terrorism finance policy and requests the Global Environment Facility to include updates on this work in its report to the Conference of the Parties at its twenty-fifth session (November 2019);
18. *Requests* the Global Environment Facility to review and, if necessary, update or adopt policies for preventing sexual harassment and the abuse of authority with the aim of protecting the staff of the Global Environment Facility secretariat as well its partner organizations against unwanted sexual advances, preventing inappropriate behaviour and abuse of power and providing guidelines for reporting incidents;
19. *Invites* Parties to submit to the secretariat via the submission portal,<sup>7</sup> no later than 10 weeks prior to the twenty-fifth session of the Conference of the Parties, their views and recommendations on elements to be taken into account in developing guidance for the Global Environment Facility;
20. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 19 above when preparing its draft guidance for the Global Environment Facility for consideration by the Conference of the Parties;
21. *Also* requests the Global Environment Facility to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided in this decision;
22. *Decides*, in accordance with decision 1/CP.21, paragraph 61, to transmit to the Global Environment Facility the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in the decisions referred to in decision -/CMA.1<sup>8</sup>, paragraph 4.

---

<sup>6</sup> Global Environment Facility Council decision GEF/C.54/10/Rev.01

<sup>7</sup> [https://unfccc.int/submissions\\_and\\_statements](https://unfccc.int/submissions_and_statements)

<sup>8</sup> Decision adopted under agenda item 3 of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

## Decision 1/CMP.14

### **Matters relating to the Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

1. *Takes note of decision -/CMA.1,<sup>1</sup> whereby the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement decided that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement, effective 1 January 2019;*
2. *Decides that the Adaptation Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available;*
3. *Also decides, pursuant to paragraph 2 above, that the Adaptation Fund shall continue to receive the share of proceeds, if available, from activities under Articles 6, 12 and 17 of the Kyoto Protocol;*
4. *Further decides to ensure that developing country Parties and developed country Parties that are Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board;*
5. *Requests the Subsidiary Body for Implementation, at its fiftieth session (June 2019), to consider the matter referred to in paragraph 4 above, and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its fifteenth session (November 2019);*
6. *Also requests the Adaptation Fund Board: to consider the rules of procedure of the Board, the arrangements of the Adaptation Fund with respect to the Paris Agreement and any other matter so as to ensure the Adaptation Fund serves the Paris Agreement smoothly; to consider the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement; and*

---

<sup>1</sup> Draft decision titled “Matters relating to the Adaptation Fund” proposed under agenda item 4 of the Conference of the Parties at its twenty- fourth session.

to make recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifteenth session with a view to the recommendations being forwarded to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration at its second session (November 2019).



## Decision 2/CMP.14

### Report of the Adaptation Fund Board

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

Recalling decisions 1/CMP.3, 1/CMP.4, 2/CMP.10, 1/CMP.11 and 1/CMP.13,

1. Takes note of the annual report of the Adaptation Fund Board, including its addendum, and the information contained therein;<sup>1</sup>

2. Notes the following information, actions and decisions relating to the Adaptation Fund Board presented in the report referred to in paragraph 1 above:

(a) The accreditation of 28 national implementing entities for accessing resources from the Adaptation Fund directly;

(b) Cumulative project and programme approvals reaching USD 476.8 million as at 30 June 2018;

(c) Funds available for new funding approvals amounting to USD 225.7 million as at 30 June 2018;

(d) The value of projects and programmes in the active pipeline estimated at over USD 270 million as at 30 June 2018;

(e) The approval, under the pilot phase of the readiness support package, of the first readiness support package grant (in July 2018), amounting to USD 100,000, to provide tailored technical assistance and capacity-building through a suite of tools for supporting developing country entities in accessing the Fund's resources through direct access;

(f) The approval of funding decisions for readiness grants amounting to USD 175,000, consisting of USD 150,000 in South-South cooperation grants and a USD 25,000 technical assistance grant for the environmental and social safeguards policy and the gender policy;

(g) The cumulative receipts of USD 753.5 million into the Adaptation Trust Fund, as at 30 June 2018, comprising USD 199.4 million from the monetization of certified emission reductions, USD 538.3 million from additional contributions and USD 15.8 million from investment income earned on the trust fund balance;

---

<sup>1</sup> FCCC/KP/CMP/2018/4 and Add.1, as requested in decision 1/CMP.13, paragraph 11.

(h) The adoption, by the Board, of the first medium-term strategy for the Fund for the period 2018–2022 (in October 2017) and of an implementation plan for the strategy (in March 2018);

(i) The approval of eight single-country project/programme proposals submitted by implementing entities, totalling USD 39.0 million, including four proposals submitted by national implementing entities amounting to USD 10.3 million, one proposal submitted by a regional implementing entity to the amount of USD 10.0 million, and three proposals submitted by multilateral implementing entities to the amount of USD 18.6 million;

(j) The approval of two regional (multi-country) projects, with total funding of USD 19 million, and the decision to provide funding up to the amount of USD 60 million for regional project and programme proposals in fiscal year 2019 (1 July 2018 to 30 June 2019);

(k) The contributions received from 1 July 2017 to 30 June 2018, amounting to USD 95.9 million, from Germany, Ireland, Italy and Sweden, and the Brussels-Capital and Walloon Regions of Belgium;

3. *Also notes* the total amount of USD 95.9 million in contributions made to the Adaptation Fund in 2017, surpassing the fundraising target of the Adaptation Fund Board of USD 80 million for the 2017 calendar year;

4. *Welcomes* the financial pledges to the Adaptation Fund made by the European Union, France, Germany, Ireland, Italy, New Zealand, Sweden, the Brussels - Capital and Walloon Regions of Belgium, equivalent to USD 129.0 million;

5. *Notes* that, with the pledges referred to in paragraph 4 above, the fundraising target of the Adaptation Fund Board of USD 90 million for the 2018 calendar year has been surpassed;

6. *Reiterates* its concern regarding the issues related to the sustainability, adequacy and predictability of funding for the Adaptation Fund due to the current uncertainty about the prices of certified emission reductions;<sup>2</sup>

7. *Also reiterates* the encouragement of the scaling - up of financial resources, including the provision of voluntary support, that are additional to the share of proceeds levied on certified emission reductions, in order to support the resource mobilization efforts of the Adaptation Fund Board with a view to strengthening the Adaptation Fund;<sup>3</sup>

---

<sup>2</sup> Decisions 2/CMP.12, paragraph 6, and 1/CMP.13, paragraph 6.

<sup>3</sup> Decision 1/CMP.13, paragraph 7.



8. *Welcomes with appreciation* the Adaptation Fund Board's consideration of and report on linkages to other funds to ensure coherence and complementarity;<sup>4</sup>

9. *Encourages* the Adaptation Fund Board to continue, in line with its existing mandate, its consideration of linkages between the Adaptation Fund and other funds;

10. *Also encourages* the Adaptation Fund Board to continue its efforts to enhance complementarity and coherence with other funds both under and outside the Convention, including to better align processes and leverage financing;

11. *Requests* the Adaptation Fund Board to report on any outcomes related to paragraphs 9 and 10 above to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifteenth session (November 2019).

---

---

<sup>4</sup> FCCC/KP/CMP/2018/4, paragraphs 45–56, and FCCC/KP/CMP/2018/4/Add.1, paragraph 18

**Identification of the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement**

*The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* Article 9, paragraphs 1–5, of the Paris Agreement,

*Further recalling* Articles 3, 4, 7, 10, 11 and 14 of the Paris Agreement,

*Recalling* decisions 3/CP.19, 1/CP.21, 13/CP.22 and 12/CP.23,

*Underscoring* the need for continued and enhanced international support for the implementation of the Paris Agreement,

1. *Recognizes* the importance of predictability and clarity of information on financial support for the implementation of the Paris Agreement;
2. *Reiterates* that developed country Parties shall biennially communicate indicative quantitative and qualitative information related to Article 9, paragraphs 1 and 3, of the Paris Agreement, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis;
3. *Underlines* the importance of Article 9, paragraphs 1 and 3, of the Paris Agreement on this matter;
4. *Requests* developed country Parties to submit the biennial communications referred to in paragraph 2 above and as specified in the annex, starting in 2020;
5. *Encourages* other Parties providing resources to communicate biennially, as referred to in paragraph 2 above, on a voluntary basis;
6. Requests the secretariat to establish a dedicated online portal for posting the biennial communications;

7. Also requests the secretariat to prepare a compilation and synthesis of the information included in the biennial communications, referred to in paragraph 2 above, starting in 2021, and to inform the global stocktake;

8. Further requests the secretariat to organize biennial in-session workshops beginning the year after the submission of the first biennial communications referred to in paragraph 2 above, and to prepare a summary report on each workshop;

9. Decides to consider the compilations and syntheses referred to in paragraph 7 above and the summary report on the in-session workshops referred to in paragraph 8 above, starting at its fourth session (November 2021);

10. Also decides to convene a biennial high-level ministerial dialogue on climate finance beginning in 2021, to be informed, *inter alia*, by the summary reports on the in-session

workshops referred to in paragraph 8 above and the biennial communications referred to in paragraph 2 above;

11. Requests the President of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to summarize the deliberations of the dialogue referred to in paragraph 10 above for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its succeeding session;

12. Invites the Conference of the Parties to consider the compilation and syntheses and the summary reports on the in-session workshops referred to in paragraphs 7 and 8 above, respectively;

13. Decides to consider updating the types of information contained in the annex at its sixth session (2023) on the basis of the experiences and lessons learned by Parties in the preparation of their biennial communications of indicative quantitative and qualitative information;

14. Takes note of the estimated budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in paragraphs 6–8 and 10 above;

15. Requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

## Decision 13/CMA.1

### Matters relating to the Adaptation Fund

*The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,*

1. *Decides* that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to the decision on this matter made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
2. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol decide that the Adaptation Fund will continue to be financed by the activities under Articles 6, 12 and 17 of the Kyoto Protocol;
3. *Also recommends* to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol that the Adaptation Fund shall exclusively serve the Paris Agreement once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available;
4. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol ensure that developing country Parties and developed country Parties that are Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board;
5. *Decides* that, when the Adaptation Fund serves the Paris Agreement, it shall be financed from the share of proceeds from the mechanism established by Article 6, paragraph 4, of the Paris Agreement and from a variety of voluntary public and private sources;
6. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to request the Adaptation Fund Board to consider the rules of procedure of the Board, the arrangements of the Adaptation Fund with respect to the Paris Agreement and the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement, with a view to forwarding recommendations to the Conference of the Parties

serving as the meeting of the Parties to the Paris Agreement for consideration at its second session (November 2019)









## Decision 7/CP.22

### **Long-term climate finance**

*The Conference of the Parties,*

*Recalling Articles 4 and 11 of the Convention,*

*Also recalling* decision 1/CP.16, paragraphs 2, 4 and 97–101, as well as decisions 1/CP.17, 2/CP.17, paragraphs 126–132, 4/CP.18, 3/CP.19, 5/CP.20, 1/CP.21 and 5/CP.21,

1. *Notes with appreciation* the 2016 biennial assessment and overview of climate finance flows of the Standing Committee on Finance, in particular its key findings and recommendations, highlighting the increase of climate finance flows from developed country Parties to developing country Parties;<sup>1</sup>
2. *Welcomes with appreciation* the submission made by developed country Parties in response to decision 1/CP.21, paragraph 114, and takes note of the information contained therein;<sup>2</sup>
3. Welcomes the progress by developed country Parties towards reaching the goal of jointly mobilizing USD 100 billion annually by 2020, in accordance with decision 1/CP.16, and urges developed country Parties to continue to scale up mobilized climate finance towards this goal;
4. Also welcomes the progress made and requests Parties to continue to enhance their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance in accordance with decision 3/CP.19;
5. *Urges* developed country Parties to continue their efforts to channel a substantial share of public climate funds to adaptation activities and to strive to achieve a greater balance between finance for mitigation and for adaptation, recognizing the importance of adaptation finance;

---

<sup>1</sup> See document FCCC/CP/2016/8, annex II.

<sup>2</sup> Available at

<[http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261\\_295\\_131233554162587561-Roadmap%20to%20the%20US\\$100bn%20%28UNFCCC%29.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSubmissionUpload/261_295_131233554162587561-Roadmap%20to%20the%20US$100bn%20%28UNFCCC%29.pdf)>.

6. *Notes with appreciation* the summary report on the 2016 in-session workshop on long-term climate finance, which focused on the issues of adaptation finance, needs for support to developing country Parties, and cooperation on enhanced enabling environments and support for readiness activities;<sup>3</sup>

7. Notes the increase in adaptation finance to date as identified in the 2016 biennial assessment and overview of climate finance flows, and the need to continue efforts to significantly scale up adaptation finance, while stressing the need to strive for a greater balance between adaptation and mitigation finance, and invites Parties and relevant institutions to consider the key messages from the in-session workshop referred to in paragraph 6 above, including that:

(a) Country-driven processes for the assessment of adaptation needs in developing countries are fundamental for scaling up adaptation finance;

(b) The nationally determined contributions and adaptation communications could constitute a good opportunity for supporting the scaling up of adaptation finance;

(c) The role of the private sector in adaptation finance needs to be further enhanced;

(d) Access to adaptation finance remains a challenge, particularly for small island developing States and the least developed countries;

(e) Better information needs to be generated for more efficient planning, including through enhanced tracking of adaptation flows;

(f) Strengthening national public financing management systems is vital to support countries to effectively manage, track and monitor climate finance;

(g) Maximizing the effectiveness of adaptation finance is important in ensuring that limited financial resources achieve the greatest possible impact;

8. *Also notes* the progress made to date in enhancing access to finance by developing countries, while further emphasizing the continued challenges that developing countries face in this regard, in particular those with capacity constraints, and further *encourages*

---

<sup>3</sup> FCCC/CP/2016/5.

Parties and relevant institutions to continue working in this regard in order to enhance access to finance from a wide variety of sources, public and private, bilateral and multilateral;

9. *Welcomes* the biennial submissions received to date from developed country Parties on updated strategies and approaches for scaling up climate finance from 2014 to 2020 in accordance with decision 3/CP.19, paragraph 10;

10. Requests the secretariat, in line with decision 5/CP.20, paragraph 11, to prepare a compilation and synthesis of the biennial submissions referred to in paragraph 9 above in order to inform the in-session workshops referred to in paragraph 12 below;

11. Welcomes the submission of the first biennial update reports submitted by 34 developing country Parties to date and invites developing country Parties that have not already done so to submit their biennial update reports as soon as possible, recalling decision 2/CP.17, paragraph 41(a), which states that, consistent with their capabilities and the level of support provided for reporting, they should submit their first biennial update reports by December 2014;

12. Decides that the in-session workshops on long-term climate finance in 2017 and 2018 will, with a view to scaling up climate finance for mitigation and adaptation, focus on experiences and lessons learned from:

(a) Articulating and translating needs identified in country-driven processes into projects and programmes;

(b) Roles of policies and enabling environments for mitigation and adaptation finance;

(c) Facilitating enhanced access;

13. *Requests* the secretariat to organize the in-session workshops referred to in paragraph 12 above and to prepare summary reports on these workshops for consideration by the Conference of the Parties;

14. Also requests the secretariat to continue to ensure that the workshops are well-balanced by, inter alia, inviting both public and private sector actors to attend them and summarizing all views expressed at the workshops in a fair and balanced manner;

15. *Decides* that the third biennial high-level ministerial dialogue on climate finance, to be convened in accordance with decision 3/CP.19, will be informed by the reports on the in-session workshops on long-term climate finance and the 2018 biennial assessment and overview of climate finance flows;

16. Requests the Presidency of the Conference of the Parties, with the support of the secretariat, to prepare a summary of the third biennial high-level ministerial dialogue on climate finance for consideration by the Conference of the Parties at its twenty-fifth session (November 2019);

17. Welcomes the second biennial high-level ministerial dialogue on climate finance, convened in accordance with decision 3/CP.19, and looks *forward* to the summary of the Presidency of the Conference of the Parties on the deliberations of this dialogue.

*10<sup>th</sup> plenary meeting  
18 November 2016*

## Decision 8/CP.22

# Report of the Standing Committee on Finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decisions 1/CP.16, paragraph 112, and 2/CP.17, paragraphs 120 and 121, as well as decisions 5/CP.18, 7/CP.19, 6/CP.20 and 6/CP.21,

1. *Welcomes with appreciation* the report of the Standing Committee on Finance to the Conference of the Parties at its twenty-second session, taking note of the recommendations contained therein;<sup>1</sup>
2. *Endorses* the workplan of the Standing Committee on Finance for 2017;<sup>2</sup>
3. *Notes* the 2016 biennial assessment and overview of climate finance flows while particularly welcoming the summary and recommendations by the Standing Committee on Finance as contained in the annex;<sup>3</sup>
4. *Expresses its appreciation for* the financial contributions provided by the Governments of Belgium, Norway, Sweden and Switzerland as well as the European Commission to support the work of the Standing Committee on Finance;
5. *Requests* the Standing Committee on Finance, in fulfilling its function on the measurement, reporting and verification of support, and in the context of its existing workplan, to cooperate with relevant stakeholders and experts and to consider ongoing work under the Convention and further action envisaged under the Paris Agreement;
6. *Welcomes* the 2016 forum of the Standing Committee on Finance on the topic of financial instruments that address the risks of loss and damage associated with the adverse effects of climate change;

---

<sup>1</sup> FCCC/CP/2016/8.

<sup>2</sup> As contained in document FCCC/CP/2016/8, annex VIII.

<sup>3</sup> See <<http://unfccc.int/8034.php>>.

7. *Takes note of* the summary report on the 2016 forum, including the recommendations and follow-up activities of the Standing Committee on Finance and invites the Standing Committee on Finance to follow up on the recommendations in its 2017 workplan;<sup>4</sup>

8. *Expresses its gratitude* to the Government of the Philippines and the Asian Development Bank for their support in ensuring the success of the 2016 forum of the Standing Committee on Finance;

9. *Invites* the Standing Committee on Finance to continue its deliberations on the topic of its 2017 forum at its first meeting in 2017;

10. *Reiterates* that the Standing Committee on Finance will integrate financing for forests-related considerations into its 2017 workplan, where appropriate, and continue work on this matter in the context of the overall issue of improving coherence and coordination in the delivery of climate change financing, taking into account all relevant decisions on forests;

11. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its twenty-third session (November 2017) on the progress made in the implementation of its workplan;

12. *Also requests* the Standing Committee on Finance to consider the guidance provided to it in other relevant decisions of the Conference of the Parties.

---

<sup>4</sup> See document FCCC/CP/2016/8, annex III, paragraphs 68 and 69.

# Annex

## Summary and recommendations by the Standing Committee on Finance on the 2016 biennial assessment and overview of climate finance flows

### A. Context and mandates

1. The Standing Committee on Finance (SCF) assists the Conference of the Parties (COP) in exercising its functions with respect to the Financial Mechanism of the Convention, including, *inter alia*, in terms of measurement, reporting and verification of support provided to developing country Parties, through activities such as the biennial assessment and overview of climate finance flows.<sup>1</sup>

2. Subsequent to the 2014 biennial assessment and overview of climate finance flows, the COP requested the SCF to consider: the relevant work of other bodies and entities on measurement, reporting and verification of support and the tracking of climate finance;<sup>2</sup> ways of strengthening methodologies for reporting climate finance;<sup>3</sup> and ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance.<sup>4</sup> It also requested the Ad Hoc Working Group on the Paris Agreement, when developing the modalities, procedures and guidelines for the transparency framework for action and support, to consider, *inter alia*, information in the biennial assessment and overview of climate finance flows and other reports of the SCF and other relevant bodies under the Convention.

3. The 2016 biennial assessment and overview of climate finance flows outlines improvements made and identifies areas for further improvements in the UNFCCC reporting guidelines and formats for developed and developing countries and for

---

<sup>1</sup> Decision 2/CP.17, paragraph 121(f).

<sup>2</sup> Decision 1/CP.18, paragraph 71.

<sup>3</sup> Decision 5/CP.18, paragraph 11.

<sup>4</sup> Decision 3/CP.19, paragraph 11.

improvements in climate finance tracking and reporting of data producers and aggregators. The biennial assessment and overview of climate finance flows presents estimates of flows from developed to developing countries, available information on domestic climate finance and South–South cooperation, as well as the other climate-related flows that constitute global total climate finance flows. It then considers the implications of these flows, including composition, purpose and emergent trends relevant to the UNFCCC objectives, including the new goals set out in the Paris Agreement.

4. The 2016 biennial assessment and overview of climate finance flows comprises this summary and recommendations, and a technical report. The summary and recommendations was prepared by the SCF. The technical report was prepared by experts under the guidance of the SCF, and draws on information and data from a range of sources. It was subject to extensive stakeholder input and expert review, but remains a product of the external experts.

## **A. Challenges and limitations**

1. The 2016 biennial assessment and overview of climate finance flows presents a picture of climate finance to the extent possible. Due diligence has been undertaken to utilize the best information available from the most credible sources. Challenges were nevertheless encountered in collecting, aggregating and analysing information from diverse sources. The limited clarity with regard to the use of different definitions of climate finance limits comparability of data.

2. There are uncertainties associated with each source of data, and these have different underlying causes. Uncertainties are related to the data on domestic public investments, resulting from the lack of geographic coverage and differences in the way methods are applied, significant changes in the methods for estimating energy efficiency every few years and the lack of available data on sustainable private transport and other key sectors. Uncertainties also arise from the lack of procedures and data to determine private climate finance, methods for estimating adaptation finance, differences in the assumptions of underlying formulas to attribute finance from multilateral development banks (MDBs) to developed countries, the classification of data as ‘green finance’ and incomplete data on non-concessional flows.

3. The limitations outlined above need to be taken into consideration when deriving conclusions and policy implications



from this biennial assessment and overview of climate finance flows. The SCF will contribute, through its activities, to the progressive improvement of the measurement, reporting and verification of climate finance information in future biennial assessments and overviews of climate finance flows, to help address these challenges.

## **B. Key findings**

### **1. Methodological issues relating to measurement, reporting and verification of public and private climate finance**

*Improvements made in tracking and reporting of climate finance since the 2014 biennial assessment and overview of climate finance flows*

4. Following the recommendations made by the SCF in the 2014 biennial assessment and overview of climate finance flows, the 2016 biennial assessment and overview of climate finance flows identifies the improvements listed below in the tracking and reporting of information on climate finance:

#### Developed countries

(a) Enabling Parties to provide additional information on their underlying definitions, methodologies and assumptions used, including on how they have identified finance as being “climate-specific”, as well as making these data more accessible to the public and recipient Parties, thereby enhancing consistency and transparency;

(b) Improving guidance on application of the Rio Markers for adaptation and mitigation and adjustments to the Rio Marker definitions for adaptation;

#### International organizations

(c) Making available MDB and multilateral climate fund activity-level data through the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD);

(d) Applying common principles for tracking mitigation and adaptation finance by MDBs and International Development Finance Club (IDFC) members;

(e) Making available data on climate co-financing flows through utilization of a joint methodology for tracking public and private climate co-finance by a consortium of seven MDBs.

*Insights into reporting by developed countries and developing countries*

5. The current biennial report (BR) guidelines<sup>5</sup> were designed to accommodate reporting on a wide range of climate finance instruments and activities. This required a reporting architecture that was flexible enough to accommodate a diversity of reporting approaches. In some cases, limited clarity with regard to the diversity in reporting approaches limits comparability in climate finance reporting. Further improvements in reporting guidelines and formats are needed to enhance transparency on the approaches used by individual Parties and to enable greater comparability across reporting by Parties.

6. Current biennial update report (BUR) guidelines<sup>6</sup> for reporting by developing countries on financial, technical and capacity-building needs and support received do not require information on the underlying assumptions, definitions and methodologies used in generating the information. Limited institutional capacity to track climate finance received, as well as the lack of data, can pose challenges in developing country reporting.

*Insights into broader reporting aspects*

7. Information on domestic climate-related finance is available including through a few BURs, Climate Public Expenditure and Institutional Reviews (CPEIRs) and other independent studies. However, such information is difficult to compare.

8. There is a lack of systematic collection of data on climate-related private finance flows globally, due to difficulties in identifying climate-related finance, restrictions based on confidentiality, and conceptual and accounting issues. The primary sources cover mainly renewable energy and draw upon industry and sector databases, relying on voluntary disclosures. Efforts to develop methodologies for estimating mobilized private finance by public interventions are under way by the OECD DAC and the Research Collaborative on Tracking Private Climate Finance.

---

<sup>5</sup> Decision 2/CP.17.

<sup>6</sup> Decision 2/CP.17.

9. Ongoing efforts at the international and national levels aimed at improving climate-related financial risk disclosures are important for improving the transparency and promoting the alignment of finance and investment flows in accordance with Article 2.1(c) of the Paris Agreement.

*Insights related to review of climate finance information*

10. Practices exist within the UNFCCC to review the information on support provided by Parties, including the international assessment and review of BRs and the international consultation and analysis of BURs. However, there are no internationally agreed methods for reconciling financial support provided against support received. Also, MDBs and IDFC do not have a standard procedure to review their climate finance data. In addition, BRs are not reviewed in time for aggregating data for the biennial assessment and overview of climate finance flows.

## **2. Overview of current climate finance flows in 2013–2014**

*Flows from developed to developing countries as reported in biennial reports*

11. USD 25.4 billion in 2013 and USD 26.6 billion in 2014 of climate-specific finance was reported in BRs, of which USD 23.1 billion in 2013 and USD 23.9 billion in 2014 was channelled through bilateral, regional and other channels (see figure 1). This represents an increase of about 50 per cent from public finance reported through the same channels in 2011–2012.

*Multilateral climate funds*

12. USD 1.9 billion in 2013 and USD 2.5 billion in 2014 was channelled through the UNFCCC funds and multilateral climate funds on the basis of their financial reports. Although this is a small share of the total climate finance, information on their activities is mostly complete.

*Climate finance from multilateral development banks*

13. Climate finance provided by MDBs to developing countries from their own resources was reported as USD 20.8 billion in 2013 and USD 25.7 billion in 2014. The methodology used in the 2014 biennial assessment and overview of climate finance flows to attribute MDB finance from developed countries to developing countries suggests that USD 11.4 billion in 2013 and USD 12.7

billion in 2014 was delivered by developed countries. A more advanced methodology, which captures better the mobilization effect through the MDBs, suggests that USD 14.9 billion in 2013 and USD 16.6 billion in 2014 can be attributed to developed countries.

#### *Private climate finance*

14. The major source of uncertainty regarding flows to developing countries relates to the amount of private climate finance provided. Initial partial estimates of direct and mobilized private finance are available. Based on project-level data, renewable energy finance by developed country companies in developing countries is estimated at USD 1.8 billion in 2013 and USD 2.1 billion in 2014. Foreign direct investment in greenfield alternative and renewable energy in developing countries was estimated at USD 26.4 billion in 2013 and USD 21.6 billion in 2014. Both estimates are likely to be conservative. OECD and the Climate Policy Initiative (CPI) compiled an initial partial estimate of private finance mobilized by developed countries and identified USD 12.8 billion in 2013 and USD 16.7 billion in 2014 of private co-finance. These figures include private finance mobilized from international sources in addition to private finance mobilized domestically in developing countries. These partial estimates of direct private finance and mobilized finance are distinct, and cannot simply be aggregated.

#### *Instruments*

15. The mix of instruments used to channel support differs by funding source (see figure 2). About 35 per cent of the bilateral, regional and other finance reported to the UNFCCC in BRs is spent as grants, 20 per cent as concessional loans, 10 per cent as non-concessional loans, and the remainder through equity and other instruments. About 38 per cent of the reported finance is channelled through multilateral institutions, many of whom are MDBs that utilize capital contributions and commitments from member countries to raise low-cost capital from other sources of funding, including for donor contributions. This enables MDBs to offer a range of instruments and financial products, including grants (9 per cent), loans, including concessional loans, (83 per cent), equity (2 per cent) and other instruments (6 per cent). About 53 per cent of funding from multilateral climate funds is provided as grants, and the remainder is largely concessional loans, which have increased as a share of approved funding over time. Forty-nine per cent of bilateral climate finance reported to the OECD is provided as grants, and 47 per cent as concessional loans.

## *Recipients*

16. Climate finance goes to a wide range of governmental, private and non-governmental entities in recipient countries. However, reporting on recipient institutions is incomplete. For example, recipient data are available for about 50 per cent of the bilateral finance reported to the OECD DAC. For 2013–2014, developing country governments are specified as the recipients of about 40 per cent of the total flow. Climate finance channelled through other intermediaries may also reach national governments, but this is not captured in the data. Improving data on the recipients of climate finance could be an area for further work.

## *Global finance flows*

17. On a comparable basis, global total climate finance has increased by almost 15 per cent since 2011–2012. In dollar terms estimated global total climate finance increased from a high bound estimate of USD 650 billion for 2011–2012 to USD 687 billion for 2013 and to 741 billion for 2014. Private investment in renewable energy and energy efficiency represents the largest share of the global total; however, the energy efficiency data are much less certain than the renewable energy data. Levels of finance have increased as the costs of clean technology have continued to fall. The coverage of data in the 2016 biennial assessment and overview of climate finance flows has increased and improved since the 2014 biennial assessment and overview of climate finance flows, but nevertheless the quality and completeness of data on global total flows are lower than those for flows to developing countries.

18. The estimate of global total climate finance in the 2016 biennial assessment and overview of climate finance flows includes adjustments to the CPI estimate that were not part of the 2011–2012 estimate reported in the 2014 biennial assessment and overview of climate finance flows. Partial data on domestic public finance expenditures of USD 192 billion per year were compiled. If these additional adjustments are included, they raise the upper end of the range to USD 880 billion in 2013 and USD 930 billion in 2014. However, the volume of the climate-related finance and investment flows globally may be higher, given that there are still significant data gaps in critical sectors such as sustainable transportation, agriculture, energy efficiency and resilient infrastructure.

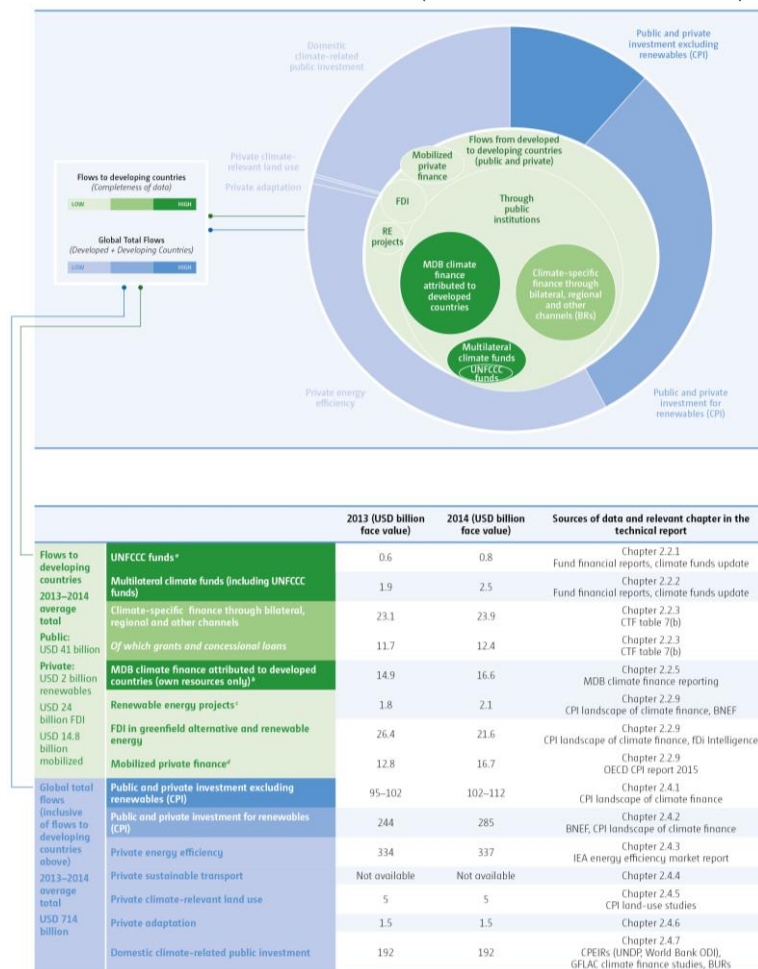
19. Domestic climate finance: Comprehensive data on domestic climate expenditures are not available. Limited information is included in the BURs; estimates of climate-related finance included

in national budgets, domestic climate finance provided by national development banks and commitments by developing country national climate funds. These indicative estimates suggest flows of USD 192 billion per year in developed and developing countries.

20. Some studies suggest that most climate finance in aggregate is mobilized and deployed domestically, both in developed and developing countries. In the limited number of developing countries for which information on domestic public climate finance is available, the data suggest that, in these countries, domestic public finance significantly exceeds the inflows of international public climate finance from bilateral and multilateral sources.

21. South–South cooperation: Data are limited, and mainly sourced from the OECD DAC, complemented with reports from a small number of other countries. On this basis, South–South cooperation was estimated to be in the range USD 5.9–9.1 billion for 2013 and USD 7.2–11.7 billion for 2014, of which about half was channelled through multilateral institutions.

Figure 1  
Climate finance flows in 2013–2014 (USD billion and annualized)



Note: Figure is not to scale, but seeks to show the relative size of flows. Flows to developing countries are a subset of global total flows.

Abbreviations: BNEF = Bloomberg New Energy Finance, BR = biennial report, BUR = biennial update report, CPEIR = Climate Public Expenditure and Institutional Reviews, CPI = Climate Policy Initiative, CTF = common tabular format, FDI = foreign direct investment, GFLAC = Climate Finance Group for Latin America and the Caribbean, IEA = International Energy Agency, MDB = multilateral development bank, ODI = Overseas Development Institute, OECD = Organisation for Economic Co-operation and Development, RE = renewable energy, UNDP = United Nations Development Programme.

<sup>a</sup> Includes commitments approved during 2013 and 2014. Almost all contributions are contributed by Parties included in Annex II to the Convention (Annex II Parties). The values do not reflect pledges to the Green Climate Fund amounting to USD 10.2 billion by the end of 2014.

<sup>b</sup> From Annex II Parties to Parties not included in Annex I to the Convention (non-Annex I Parties). Values are derived by excluding climate finance to Parties included in Annex I to the Convention from the total climate finance provided by MDBs from their own resources to arrive at climate finance provided to non-Annex I Parties, and by attributing 85 per cent of this to Annex II Parties.

<sup>c</sup> From Annex II Parties to non-Annex I Parties.

<sup>d</sup> From Annex II Parties as well as Czechia, Poland, Slovakia and Slovenia.

**Figure 2**  
**Characteristics of public finance in developing countries for 2013–2014**

	Average (2013 and 2014 in billion USD)	Purpose (%)			Implementing entities	Instrument (%)				
		Adaptation	Mitigation	Cross-cutting		Grants	Loans	Concessional Loans	Equity	Other
UNFCCC funds <sup>a</sup>	0.7	50	50		United Nations agencies, MDBs, bilateral development agencies, accredited national institutions, NGOs and private banks / funds	100				
Multilateral climate funds (including UNFCCC funds listed above)	2.2	27	70	3	MDBs, United Nations agencies and bilateral development finance institutions	53		47		
Climate-related bilateral <sup>b</sup>	14.9–25.3	27	53	20	Bilateral development finance agencies (e.g. GIZ, DFID, USAID, NORAD)	49	2 <sup>c</sup>	47	2 <sup>c</sup>	
MDB climate finance	15.8	18	82		MDBs	9		83	2	6

*Note:* All values are based on approvals.

*Abbreviations:* DFID = Department for International Development, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit, MDB = multilateral development bank, NGO = non-governmental organization, NORAD = Norwegian Agency for Development Cooperation, USAID = United States Agency for International Development

<sup>a</sup> Adaptation Fund, Global Environment Facility, Special Climate Change Fund and Least Developed Countries Fund. No Green Climate Fund projects were approved during 2013–2014.

<sup>b</sup> The values for bilateral finance are based on biennial report data for figure 1 in this document. The percentages for bilateral climate finance in this table are based on Organisation for Economic Co-operation and Development data due to data availability.

<sup>c</sup> Not primarily development or concessional. One per cent of the equity reported is concessional equity.



### 3. Assessment of climate finance flows

22. An assessment of the data underlying the overview of climate finance flows offers insights into key questions of interest in the context of the UNFCCC negotiations, including support for adaptation and mitigation, levels of finance for different regions and how finance is delivered. Key features of different channels of climate finance for developing countries are summarized in figure 2.

23. Mitigation-focused finance represented more than 70 per cent of the public finance in developing countries reported in 2013 and 2014. Adaptation finance provided to developing countries accounted for about 25 per cent of the total finance. This is similar to 2011–2012, although there has been a slight increase in the proportion of adaptation finance from climate funds and bilateral concessional channels. More than 80 per cent of MDB investments focused on mitigation, and less than 20 per cent on adaptation.

24. There has been a significant role for grants in adaptation finance. Grants represent 88 per cent of adaptation finance approved climate funds and 56 per cent of the bilateral finance reported to the OECD DAC with adaptation as a principal objective. Some least developed countries and small island developing States in Africa and Asia have been among the largest recipients of adaptation finance.

25. About 33 per cent of funding from dedicated climate funds, 42 per cent of climate-related finance in the OECD DAC and 31 per cent of climate finance reported by MDBs is for Asia, often in countries with attractive investment climates. This funding has largely supported mitigation, including REDD-plus,<sup>7</sup> reflecting the significant greenhouse gas (GHG) emissions from the region. About 21 per cent of finance from dedicated multilateral climate funds, 28 per cent of climate-related finance in the OECD DAC and 15 per cent of MDB climate finance is directed to African countries. There has been a growing emphasis on adaptation in this finance. About 23 per cent of funding from dedicated multilateral climate funds, 15 per cent of climate-related finance reported to the OECD DAC and 16 per cent of the climate finance reported by MDBs is directed to Latin America and the Caribbean.

---

<sup>7</sup> In decision 1/CP.16, paragraph 70, the COP encouraged developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities: reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks.

26. There are costs associated with fund management, project development and implementation. These costs are recovered through mechanisms including administrative budgets and implementing agency fees, which vary across funds and institutions. Administrative costs range from less than 1 per cent to nearly 12 per cent of the approved funding. The actual costs are not necessarily proportional to the volumes of finance approved for projects.

27. A broad range of issues can present challenges in accessing climate finance, including: low levels of technical capacity to design and develop projects/programmes and to monitor and evaluate progress; difficulties in following the procedures of the funds to access finance; and low levels of awareness of the need for action and available sources of funding. Several efforts to strengthen “readiness” to access and make use of climate finance are now under way, and the Green Climate Fund (GCF) has recently stepped up its efforts in this regard. Investment in domestic capacity to structure and attract a range of sources of finance is also needed.

28. Ownership of climate finance and alignment of this finance with national climate change priorities and emerging policies and strategies is well recognized as an important element for ensuring effectiveness. Another important dimension is engagement of key stakeholders across government, particularly ministries of finance and planning, and across society, including civil society and the private sector. Most intended nationally determined contributions (INDCs) submitted by developing country Parties outlined, in varying levels of detail, the estimated financial costs of the future emission reduction and climate adaptation scenarios they describe. In general, methodologies used to estimate financial needs or definitions of scope were not specified, and differed substantially. Beyond INDCs, few efforts to assess national or global climate finance needs have been completed since the 2014 biennial assessment and overview of climate finance flows. INDCs may provide a framework for strengthening ownership in the future.

29. Impact monitoring systems are beginning to mature, although reporting of results remains nascent and relatively slow. GHG emission accounts are a primary metric of impact and effectiveness used for climate finance mitigation, often complemented with relevant output data such as the volume of installed clean energy or reductions in energy consumption. Consistency of methodologies for GHG accounting continues to be a challenge, though progress has been made by development finance institutions, which have adopted common principles.

30. Most adaptation interventions seek to identify the specific number of people that are likely to benefit from the proposed interventions, either directly or indirectly in terms of increased resilience. Ensuring the accuracy of estimates can be challenging, due to difficulties in identifying beneficiaries, establishing baselines and data collection, and defining and tracking resilience over time to what may be slow onset, or 1-in-100 or 1-in-500 year events.

31. Many funders use co-financing as best available evidence of private finance mobilization, and many climate funds use leverage ratios as one of their key results indicators. However, co-finance does not necessarily equate to mobilization, which is often used to imply a more causal relationship between public intervention and associated private finance, which is more complex to prove. High leverage ratios may not always indicate an effective use of public finance, as ratios can also be high in interventions that are the most commercially viable.

32. The 2016 biennial assessment and overview of climate finance flows identified climate-related global climate finance flows of USD 714 billion on average in 2013–2014 (see figure 1); this is a significant amount, but is relatively small in the context of wider trends in global investment (see figure 3). For example, while investment in clean energy is rising, volumes of finance for high carbon energy in all countries remain considerably higher. Infrastructure and assets are at risk from the impacts of climate change, with serious potential consequences for the global economy.

Figure 3  
Global climate finance in context



*Note:* This figure seeks to put the total volume of global finance flows in the context of wider trends in global investment. The flows featured on this diagram are not strictly comparable, and are presented for illustrative purposes only. Full details of the underlying studies are included in chapter 3 of the 2016 biennial assessment and overview of climate finance flows.

*Abbreviations:* avg = average, bn = billion, IEA = International Energy Agency, INDC = intended nationally determined contribution, tn = trillion, UNEP FI = United Nations Environment Programme Finance Initiative, \$ = United States dollars.

## C. Recommendations

33. The SCF invites the COP to consider the following recommendations:

(a) Invite Parties, the Ad Hoc Working Group on the Paris Agreement, the Subsidiary Body for Scientific and Technological Advice, the Subsidiary Body for Implementation and other relevant bodies under the Convention to consider the 2016 biennial assessment and overview of climate finance flows, particularly its key findings, in order to improve guidelines for the preparation and reporting of financial information,<sup>8</sup> as well as to develop the

<sup>8</sup> This includes enhanced information on: sectors, financial instruments, the methodology used for reporting financial support through bilateral channels,

modalities, procedures and guidelines, as appropriate, for the transparency of support in accordance with Articles 9 and 13 of the Paris Agreement;

**(b)** Request the SCF, in fulfilling its function on measurement, reporting and verification of support, and in the context of its workplan, to cooperate with relevant institutions and experts and to consider ongoing work under the Convention;

*Engaging with international organizations and the private sector*

**(c)** Encourage climate finance providers to enhance the availability of granular, country-level data and for the UNFCCC secretariat to make such information more accessible, including via enhanced web-based data platforms;

**(d)** Encourage relevant institutions and experts, including from the private sector, to devise practical options for estimating and collecting data on private climate finance, taking into consideration ongoing work by the OECD Research Collaborative on Tracking Private Climate Finance and by MDBs;

*Ownership, needs and impact*

**(e)** Encourage developing countries to take advantage of the resources available through the operating entities of the Financial Mechanism to strengthen their institutional capacity to programme their priority climate actions as well as to track and report climate finance;

**(f)** Request the SCF in preparing future biennial assessments and overviews of climate finance flows to assess available information on investment needs and plans related to Parties' nationally determined contributions and national adaptation plans;

**(g)** Encourage Parties and relevant international institutions to enhance the availability of information that will be necessary for tracking global progress on the goals outlined in Article 2 of the Paris Agreement;

**(h)** Invite the Board of the GCF to consider information in the biennial assessment and overview of climate finance flows in its annual dialogues with climate finance delivery channels in order to

---

the methodology used to identify climate-specific portions of public financial support through multilateral channels, and disaggregated data at the activity level.

enhance complementarity and coherence between the GCF and other funds at the activity level;

(i) Invite multilateral climate funds, MDBs, other financial institutions and relevant international organizations to continue working to further harmonize methods for measuring climate finance and to advance comparable approaches for tracking and reporting on impacts.

*10<sup>th</sup> plenary meeting  
18 November 2016*

## **Terms of reference for the review of the functions of the Standing Committee on Finance**

*The Conference of the Parties,*

*Recalling* decisions 6/CP.20, 6/CP.21 and 1/CP.21, in particular paragraph 63,

1. *Adopts* the terms of reference for the review of the functions of the Standing Committee on Finance contained in the annex;
2. *Takes note* of the report of the Standing Committee on Finance to the twenty-second session of the Conference of the Parties and in particular annex VII thereto;<sup>1</sup>
3. *Invites* members of the Standing Committee on Finance, Parties, the constituted bodies under the Convention and external stakeholders to submit, by 9 March 2017, their views on the review of the Standing Committee on Finance based on the terms of reference contained in the annex, for consideration by the Subsidiary Body for Implementation at its forty-sixth session (May 2017);<sup>2</sup>
4. *Requests* the Subsidiary Body for Implementation, at its forty-sixth session, to initiate work on the review of the functions of the Standing Committee on Finance in accordance with the terms of reference contained in the annex, taking into account the submissions referred to in paragraph 3 above;
5. *Also requests* the secretariat to prepare a technical paper on the review of the Standing Committee on Finance, in accordance with the terms of reference contained in the annex, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its forty-sixth session and the submissions referred to in paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its forty-seventh session (November 2017);

---

<sup>1</sup> FCCC/CP/2016/8.

<sup>2</sup> Parties should submit their views via the submission portal at <<http://www.unfccc.int/5900>>. Observers and other stakeholders should e-mail their submissions to <[secretariat@unfccc.int](mailto:secretariat@unfccc.int)>.

6. *Further requests* the Subsidiary Body for Implementation to complete its work on the review of the Standing Committee on Finance at its forty-seventh session with a view to recommending a draft decision on the matter for consideration and adoption by the Conference of the Parties at its twenty-third session (November 2017).

## **Annex**

### **Terms of reference for the review of the functions of the Standing Committee on Finance**

#### **A. Objective**

1. The objective of the review of the Standing Committee on Finance (SCF) is to review the functions of the committee, with a view to:

- (a) Strengthening the work of the SCF, as appropriate;
- (b) Identifying opportunities for increased efficiency and effectiveness;
- (c) Informing Parties on the extent to which the existing activities and working modalities of the SCF will fulfil its mandate to serve the Paris Agreement in line with decision 1/CP.21, paragraph 63;
- (d) Taking into account interrelated review processes, such as the sixth review of the Financial Mechanism.

#### **B. Scope**

1. The scope of the review will cover the progress made to date and lessons learned in the fulfilment of the mandate of the SCF to assist the Conference of the Parties (COP) in the exercise of its functions with respect to the Financial Mechanism. In this context, the review should:

- (a) Be based on the current mandate and functions of the SCF;



(b) Be informed by the work on climate finance conducted by other entities;

(c) Examine whether any gaps exist in the delivery of the work of the SCF and how they can be addressed.

2. The review should address the following elements:

(a) Assessment of the extent to which the SCF has effectively delivered on its core functions and mandated activities as outlined in decision 2/CP.17 and other relevant decisions and, in this regard, taking stock of past achievements of the SCF in terms of its concrete outputs and how they have been utilized;

(b) Identification of the potential need for reorientation or reprioritization of the existing functions of the SCF;

(c) Assessment of whether the working modalities of the SCF, including the participation of its members, are fit-for-purpose for carrying out its functions;

(d) Quality of outputs;

(e) Linkages with the constituted bodies under the Convention;

(f) Relations with relevant external stakeholders.

## **C. Sources of information**

3. The review shall draw upon, inter alia, the following sources of information:

(a) Submissions from members of the SCF, Parties and the constituted bodies under the Convention, as well as external stakeholders involved in the activities of the SCF;

(b) The annual reports of the SCF, including, in particular, annex VII to its report to COP 22;<sup>3</sup>

(c) The relevant decisions of the COP related to the SCF;

(d) Outputs delivered by the SCF, such as the biennial assessment and overview of climate finance flows;

(e) A self-assessment report of the SCF and recommendations on improving its efficiency and effectiveness;

---

<sup>3</sup> FCCC/CP/2016/8.

(f) The technical paper to be prepared by the secretariat in line with paragraph 5 of this decision.

## **D. Criteria**

4. The review shall take into account, inter alia, the following:

(a) The effectiveness and efficiency of the SCF in the delivery of its functions;

(b) The transparency of its decision-making processes;

(c) The level and nature of stakeholder engagement;

(d) The quality and added value of the outputs of the SCF, including how they were received by the COP and external stakeholders, and in particular how its recommendations have informed and advanced the work of the COP;

(e) The timeliness of the outputs of the SCF.

*10<sup>th</sup> plenary meeting  
18 November 2016*

## **Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* decision 7/CP.21,

*Noting* the draft decision on the guidance to the Green Climate Fund prepared by the Standing Committee on Finance,<sup>1</sup>

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties and its addendum,<sup>2</sup> and the information contained therein on the progress made by the Green Climate Fund, including the detailed and comprehensive list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to the guidance received from the Conference of the Parties;

2. *Also welcomes* the following actions taken by the Board in response to previous guidance from the Conference of the Parties as contained in decisions 3/CP.17, 6/CP.18, 4/CP.19, 7/CP.20 and 7/CP.21:

(a) The approval of USD 1.17 billion for 27 projects and programmes in 39 countries and the issuance of requests for proposals for modalities that enhanced direct access, worth up to USD 200 million, and the issuance of requests for proposals for micro, small and medium-sized enterprises worth up to USD 100 million;

(b) The accreditation of 41 entities to date, including 18 direct access entities, and the decision to prioritize in 2016 and 2017 the accreditation of national direct access entities, entities in the Asia-Pacific and Eastern European regions, private sector entities, in particular those in developing countries, and entities responding to requests for proposals issued by the Green Climate Fund;

---

<sup>1</sup> FCCC/CP/2016/8, annex V.

<sup>2</sup> FCCC/CP/2016/7 and Add.1.

(c) The adoption of the initial strategic plan for the Green Climate Fund;

(d) Decisions to initiate and conclude the review of the initial proposal approvals process and the simplified approvals procedure for certain small-scale activities in 2016;

(e) Progress made to date in the implementation of the readiness and preparatory support programme with the approval of readiness proposals in 57 countries totalling USD 16 million, including the decision of the Board to simplify the template and to mandate the Green Climate Fund secretariat to expedite the approval and disbursement of readiness and preparatory support resources;

(f) The approval of up to USD 3 million per country in funding for the preparation of national adaptation plans and/or other national adaptation planning processes through the readiness and preparatory support programme;

(g) The operationalization of the project preparation facility of the Green Climate Fund, including the development of operational modalities and approval of an initial allocation of USD 40 million;

(h) The approval of the information disclosure policy, including the webcasting of Board proceedings, thus increasing the transparency of the Board's decision-making;

(i) The acknowledgment that the Green Climate Fund's modalities enable support for the preparation and implementation of the nationally determined contributions and adaptation-related elements of the Paris Agreement;

(j) Responses to the operationalization of results-based payments for the activities referred to in decision 1/CP.16, paragraph 70, consistent with decision 9/CP.19 and in accordance with Board decision B.08/08, as well as the recognition that the Green Climate Fund can support the development and implementation of national REDD-plus<sup>3</sup> strategies or action plans and investment plans, including through the readiness and preparatory support programme;

---

<sup>3</sup> In decision 1/CP.16, paragraph 70, the Conference of the Parties encouraged developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances: reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable

(k) The acknowledgment that the Green Climate Fund's operational modalities enabled support for technology development and transfer, including for facilitating access to environmentally sound technologies and for collaborative research and development;

(l) The appointment of the second Executive Director of the Green Climate Fund secretariat and the Heads of the Independent Redress Mechanism, the Independent Integrity Unit and the Independent Evaluation Unit;

(m) Decisions to increase the staffing of the Green Climate Fund secretariat, in particular by addressing the capacity limitations in the Mitigation and Adaptation Division and the Private Sector Facility Division, and the secretariat's risk management capacity;

(n) Decisions to develop an operational framework on complementarity and coherence with other financing institutions, and progress on the relationship with the thematic bodies of the Convention, including the hosting of the first annual event with these bodies, and engagement with the Technology Executive Committee and the Climate Technology Centre and Network;

3. *Looks forward* to the ongoing and timely implementation by the Board of the above-mentioned decisions and guidance received from the Conference of the Parties, including the initial strategic plan, and the scaling up of investments in ambitious country-driven climate action;

4. *Urges* the Board to finalize in a timely manner its work related to the guidance of the Conference of the Parties on financing for forests as mandated by decision 7/CP.21, paragraphs 23–25;

5. *Also urges* Parties that made pledges under the initial resource mobilization process of the Green Climate Fund but have not yet confirmed them through fully executed contribution arrangements or agreements to do so as a matter of high priority;

6. *Requests* the Board to facilitate an increase in the amount of direct access proposals in the pipeline and to report to the Conference of the Parties on progress made in this regard;

7. *Also requests* the Board to take into account decision 1/CP.21, paragraph 64, to enhance the coordination and delivery of resources to support country-driven strategies through simplified and efficient application and approval procedures, and through continued readiness support to developing country Parties, including the least

developed countries and small island developing States, as appropriate, and in accordance with Board decisions;

8. *Notes with concern* the lack of signed bilateral agreements related to privileges and immunities in order for the Green Climate Fund to undertake its activities;

9. *Looks forward* to the biennial report on the matter referred to in paragraph 8 above, in accordance with decision 7/CP.20, paragraph 20, and Board decision B.08/24;

10. *Requests* the Board to enhance the delivery of resources by addressing those measures that are delaying the implementation of projects that have been approved by the Board, including the conclusion of pending accreditation master agreements and funded activity agreements;

11. *Encourages* the Board to implement its decision B.04/08 to develop modalities to support activities enabling private sector involvement in the least developed countries and small island developing States, and to seek opportunities to engage with the private sector, including local actors, on adaptation action at the national, regional and international levels;

12. *Invites* national designated authorities and focal points to utilize the readiness and preparatory support programme, and to collaborate with accredited entities to use the project preparation facility, where appropriate, to prepare adaptation and mitigation proposals of increasing quality and impact potential;

13. *Reiterates its request*<sup>4</sup> to the Board to agree on the arrangements for the first formal replenishment process of the Green Climate Fund;

14. *Invites* Parties to submit via the submission portal<sup>5</sup> annually, no later than 10 weeks prior to each session of the Conference of the Parties, their views and recommendations on the elements to be taken into account in developing guidance to the Green Climate Fund;

15. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 14 above when preparing draft guidance to the Green Climate Fund for consideration by the Conference of the Parties;

---

<sup>4</sup> Decision 7/CP.21, paragraph 10.

<sup>5</sup> <<http://www.unfccc.int/5900>>.

16. *Also requests* the Green Climate Fund, as an operating entity of the Financial Mechanism, to include in its annual report to the Conference of the Parties information on the steps it has taken and the timeline for the implementation of the guidance provided in this decision.

*10<sup>th</sup> plenary meeting  
18 November 2016*

## **Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Recalling* decision 8/CP.21,

*Welcoming* the report of the Global Environment Facility to the Conference of the Parties and its addenda reports, including on the technical review of the programme priorities of the Least Developed Countries Fund,<sup>1</sup>

*Noting* the draft decision on the guidance to the Global Environment Facility prepared by the Standing Committee on Finance, as contained in its report to the Conference of the Parties<sup>2</sup> and the Standing Committee on Finance 2016 biennial assessment and overview of climate finance flows as context for the provision of guidance,

1. *Emphasizes* the need for the Global Environment Facility to consider lessons learned from past replenishment periods and to take into account the entry into force of the Paris Agreement in its deliberations on the strategy for the seventh replenishment of the Global Environment Facility Trust Fund in order to continue to increase the effectiveness of its operations;
2. *Calls upon* developed country Parties, and *invites* other Parties that make voluntary financial contributions to the Global Environment Facility, to ensure a robust seventh replenishment, in order to assist in providing adequate and predictable funding taking into consideration the Paris Agreement;
3. Requests the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention, in its seventh replenishment programming, to continue to assist developing countries, in particular the least developed countries and small island developing States, in accessing resources in an efficient manner;

---

<sup>1</sup> FCCC/CP/2016/6, Add.1 and 2.

<sup>2</sup> FCCC/CP/2016/8, annex VI.



4. *Also requests* the Global Environment Facility, as appropriate, to ensure that its policies and procedures related to the consideration and review of funding proposals be duly followed in an efficient manner;
5. Takes note of the projected shortfall of resources from the sixth replenishment of the Global Environment Facility due to exchange rate movements, and the decision of the Council of the Global Environment Facility on item 6 on the agenda of the 51st meeting of the council;<sup>3</sup>
6. Requests the Global Environment Facility to continue its efforts, as appropriate and as needed, to minimize the potential consequences of the projected shortfall referred to in paragraph 5 above for its support to developing countries, aiming to fulfil the relevant programming directions of the sixth replenishment of the Global Environment Facility;
7. Welcomes the decisions of the Council of the Global Environment Facility to establish the Trust Fund for the Capacity-building Initiative for Transparency<sup>4</sup> and to approve the Capacity-building Initiative for Transparency programming directions,<sup>5</sup> and to ensure that the support for the Capacity-building Initiative for Transparency will be included in the seventh replenishment, to complement existing support under the Global Environment Facility, in accordance with decision 1/CP.21, paragraph 86;
8. Also welcomes the pledges made by several countries to make voluntary contributions to the Capacity-building Initiative for Transparency and the signing of the first contribution agreement by a country and encourages others that have pledged to make voluntary contributions to finalize their contribution agreements;
9. Requests the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention, to continue providing in its annual reports, inter alia, information on the establishment and operation of the Capacity-building Initiative for Transparency, including its programming and implementation modalities, on the voluntary contributions pledged and provided,<sup>6</sup> and on the implementation of decision 9/CP.18;

---

<sup>3</sup> Global Environment Facility document GEF/C.51/04.

<sup>4</sup> Global Environment Facility document GEF/C.50/05.

<sup>5</sup> Global Environment Facility document GEF/C.50/06.

<sup>6</sup> See decision 1/CP.21, paragraph 86.

10. Welcomes the Global Environment Facility's continued engagement and coordination with the Climate Technology Centre and Network through the Poznan strategic programme on technology transfer and the regional technology transfer and financing centres, as well as actions taken by the Global Environment Facility in response to the recommendations by the Technology Executive Committee following the evaluation of the Poznan strategic programme on technology transfer;

11. Urges the Global Environment Facility and recipient countries to continue exploring with the Climate Technology Centre and Network ways to support climate technology related projects through country allocations of the sixth replenishment of the Global Environment Facility;

12. Requests the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention, to take into consideration climate risks in all its programmes and operations, as appropriate, keeping in mind lessons learned and best practices;

13. Encourages the Global Environment Facility to continue its efforts to encourage countries to align, as appropriate, their Global Environment Facility programming with priorities as identified in their nationally determined contributions, where they exist, during the seventh replenishment, and to continue to promote synergies across its focal areas;

14. Welcomes the conclusions of the "Program evaluation of the Least Developed Countries Fund" by the Global Environment Facility's Independent Evaluation Office;<sup>7</sup>

15. Requests the Global Environment Facility, as the operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to continue to enhance capacity development in the least developed countries for the development of project proposals with a focus on identifying potential funding sources, both national and international, and enhancing long-term domestic institutional capacities;

16. Encourages the Global Environment Facility to continue to track, review and report on the sustainability of project outcomes from the Least Developed Countries Fund and the Special Climate Change Fund;

---

<sup>7</sup> Available at <<http://www.gefio.org/sites/default/files/ieo/council-documents/ldcf-sccf-20-me-02.pdf>>.

17. Welcomes the initial assessment of the accreditation pilot and notes its conclusions;<sup>8</sup>

18. Requests the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention, in light of the entry into force of the Paris Agreement, to continue streamlining project approval processes and providing enhanced support, including enabling activities, to developing country Parties, including the least developed countries and small island developing States, as appropriate, in the context of national climate strategies and plans;

19. Welcomes the successful roll-out of the non-grant instrument pilot and encourages further expansion of the pilot with a view to increasing the leverage and impact of Global Environment Facility financing;

20. Invites Parties to submit via the submission portal<sup>9</sup> annually, no later than 10 weeks prior to each session of the Conference of the Parties, their views and recommendations on the elements to be taken into account in developing guidance to the Global Environment Facility;

21. Requests the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 20 above when providing draft guidance to the Global Environment Facility for consideration by the Conference of the Parties;

22. Also requests the Global Environment Facility to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided to it in this decision.

*10<sup>th</sup> plenary meeting  
18 November 2016*

---

<sup>8</sup> Contained in Global Environment Facility documents GEF/C.50/07 and GEF/ME/C.50/06.

<sup>9</sup> <<http://www.unfccc.int/5900>>.

## Decision 12/CP.22

### **Sixth review of the Financial Mechanism**

*The Conference of the Parties,*

*Recalling* decisions 3/CP.4, 2/CP.12, 6/CP.13, 2/CP.16, 8/CP.19, 9/CP.20 and 1/CP.21,

*Recognizing* that the review of the Financial Mechanism should inform the replenishment processes of the operating entities of the Financial Mechanism,

1. *Decides* to adopt the updated guidelines for the sixth review of the Financial Mechanism contained in the annex;
2. *Requests* the Standing Committee on Finance to provide, in its report to the twenty-third session of the Conference of the Parties (November 2017), expert input to the sixth review of the Financial Mechanism, with a view to the review being finalized by the Conference of the Parties at its twenty-third session;
3. *Invites* Parties, observers and other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the operating entities of the Financial Mechanism to submit, by 30 April 2017, their views on the sixth review of the Financial Mechanism based on the guidelines contained in the annex, for consideration by the Standing Committee on Finance in preparing its expert input to the review.<sup>1</sup>

---

<sup>1</sup> Parties should submit their views via the submission portal at <<http://www.unfccc.int/5900>>. Observers and other stakeholders should e-mail their submissions to <[secretariat@unfccc.int](mailto:secretariat@unfccc.int)>.

# Annex

## **Updated guidelines for the sixth review of the Financial Mechanism**

### **A. Objectives**

1. In accordance with Article 11, paragraph 4, of the Convention, the objectives of the sixth review of the Financial Mechanism will be as follows:

(a) To review the Financial Mechanism and take appropriate measures regarding:

(i) Its conformity with the provisions of Article 11 of the Convention and the guidance provided by the Conference of the Parties (COP);

(ii) The effectiveness of the activities it funds in implementing the Convention;

(iii) Its effectiveness in providing financial resources on a grant or concessional basis, including for the transfer of technology, for the implementation of the Convention's objective on the basis of the guidance provided by the COP;

(iv) Its effectiveness in providing resources to developing country Parties under Article 4, paragraph 3, of the Convention;

(v) The effectiveness of access modalities for developing countries;

(b) To examine consistency and complementarity between the operating entities of the Financial Mechanism, and between the operating entities of the Financial Mechanism and other sources of investment and financial flows, including:

(i) Examining relevant sources, channels and means of financing, as indicated in Article 11, paragraph 5, of the Convention, that would assist developing country Parties to contribute to the achievement of the objective of the Convention, in particular innovative means of financing, such as for the development of endogenous technologies in developing countries;

- (ii) Examining the role of the Financial Mechanism in scaling up the level of resources;
- (iii) Assessing enabling environments for catalysing investment in, and the transfer of, environmentally sound technologies that mitigate greenhouse gas emissions, and for enhancing resilience to climate change.

## **B. Sources of information**

2. The review shall draw upon, inter alia, the following sources of information:

(a) Information provided by Parties on their experiences regarding financial support provided and received in accordance with COP decisions;

(b) Annual guidance provided by the COP to the operating entities of the Financial Mechanism with regard to the conformity of their activities with the guidance provided by the COP;

(c) The annual reports of the Standing Committee on Finance (SCF) to the COP on its activities and relevant technical information produced by the committee such as the biennial assessments and overview of climate finance flows and outcomes of the SCF forums;

(d) The annual reports of the Global Environment Facility (GEF) to the COP on its activities as an operating entity of the Financial Mechanism, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy and information documents;

(e) The reports from the GEF Independent Evaluation Office;

(f) The annual reports of the Board of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the Financial Mechanism and other relevant GCF policy and information documents;

(g) The reports of the Adaptation Fund Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the outcomes of the reviews of the Adaptation Fund;

(h) The outcomes and reports of the United Nations processes, relevant bilateral and multilateral funding institutions and

other intergovernmental and non-governmental organizations dealing with climate financing;

(i) Relevant reports on private-sector financing and investment for climate change activities;

(j) Technical papers and reports prepared by the secretariat at the request of the COP which are relevant to the financial needs of developing country Parties under the Convention;

(k) Information contained in the national communications of Parties to the Convention, technology needs assessments and national adaptation programmes of action;

(l) The reports of the in-session workshops on long-term finance;

(m) The biennial submissions from developed country Parties on their updated strategies and approaches for scaling up climate finance from 2014 to 2020, including any available information on quantitative and qualitative elements of a pathway;

(n) The reports of the Least Developed Countries Expert Group and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

## **C. Criteria**

3. The effectiveness of the Financial Mechanism will be assessed taking into account the following:

(a) The transparency of the decision-making processes of the operating entities of the Financial Mechanism;

(b) The level of stakeholder involvement;

(c) The extent to which the Financial Mechanism is contributing to gender-sensitive approaches;

(d) The adequacy and predictability, accessibility and timeliness and rate of disbursement of funds for activities in developing country Parties, including projects in the pipeline;

(e) The responsiveness, efficiency and performance of the cycle for project/programme approval procedures of the operating entities of the Financial Mechanism;

(f) The amount of resources provided to developing country Parties, including financing for technical assistance and investment projects, and the mechanisms for country allocation, as well as the results and impacts achieved by the resources provided;

(g) The amount of finance leveraged, and modalities and ratios of co-financing and the use of financial instruments where applicable;

(h) The extent to which the resources provided are contributing to achieving the objective of the Convention;

(i) The sustainability of funded programmes, projects and operations in developing country Parties;

(j) The extent to which the Financial Mechanism is contributing to the country ownership of programmes and projects.

*10<sup>th</sup> plenary meeting  
18 November 2016*



**Initiation of a process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement**

*The Conference of the Parties,*

*Recalling* Article 9, paragraphs 1, 3 and 5, of the Paris Agreement,

*Also recalling* decision 1/CP.21, paragraph 55,

*Further recalling* decision 3/CP.19, paragraph 10,

*Having initiated* the process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement,

1. Recalls that developed country Parties shall biennially communicate indicative quantitative and qualitative information related to Article 9, paragraphs 1 and 3, of the Paris Agreement, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties, and that other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis;<sup>1</sup>
2. Requests the secretariat to organize a round-table discussion among Parties on this matter in conjunction with the forty-sixth sessions of the subsidiary bodies (May 2017);
3. Also requests the secretariat to prepare a summary report of the round-table discussion referred to in paragraph 2 above for consideration by the Conference of the Parties at its twenty-third session (November 2017);
4. Agrees to advance work on this matter at its twenty-third session, with a view to providing a recommendation on information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

---

<sup>1</sup> Article 9, paragraph 5, of the Paris Agreement.

5. *Takes* note of the estimated budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in paragraphs 2 and 3 above;

6. Requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

*10th plenary meeting  
18 November 2016*

---

## **Linkages between the Technology Mechanism and the Financial Mechanism of the Convention**

*The Conference of the Parties,*

*Recalling* decisions 1/CP.18, paragraph 62, and 13/CP.21,

*Emphasizing* the importance of financial resources at all stages of the technology cycle, including at the early stages, in order to enable Parties to enhance their mitigation and adaptation action,

1. *Welcomes with appreciation* the progress made by the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism in further elaborating the linkages between the Technology Mechanism and the Financial Mechanism, including through an in-session workshop;<sup>1</sup>
2. *Welcomes* the decision of the Board of the Green Climate Fund to hold annual meetings between the Green Climate Fund and the constituted bodies under the Convention, including the Technology Executive Committee and the Climate Technology Centre and Network, and its invitation to the Chairs of those bodies to its 14th meeting;
3. *Encourages* the Board of the Green Climate Fund to continue to invite the Chairs of the Technology Executive Committee and the Advisory Board of the Climate Technology Centre and Network to future meetings of the Board of the Green Climate Fund on issues of common interest in order to strengthen the existing linkages between the Technology Mechanism and the Financial Mechanism;
4. *Welcomes* the increased engagement between the Green Climate Fund and the Climate Technology Centre and Network, particularly with respect to utilizing the Readiness and Preparatory Support Programme and the Project Preparation Facility of the fund, noting the potential of such engagement in supporting developing country Parties to build their capacity for implementing technology projects and programmes;

---

<sup>1</sup> See annex I to document FCCC/SB/2016/1 and document FCCC/CP/2016/7/Rev.1 and Add.1.

5. *Notes with appreciation* the progress made by the Green Climate Fund in response to decision 13/CP.21 regarding support for facilitating access to environmentally sound technologies in developing country Parties and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action;<sup>2</sup>

6. Invites Green Climate Fund national designated authorities and focal points to use the support available to them under the Readiness and Preparatory Support Programme to, inter alia, conduct technology needs assessments and develop technology action plans;

7. Also invites developing country Parties to develop and submit technology-related projects, including those resulting from technology needs assessments and from the technical assistance of the Climate Technology Centre and Network, to the operating entities of the Financial Mechanism for implementation, in accordance with their respective policies and processes;

8. Encourages the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to enhance the involvement of relevant stakeholders as they undertake actions to strengthen the linkages between the Technology Mechanism and the Financial Mechanism;

9. Invites the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to provide information on their actions in strengthening the linkages between the Technology Mechanism and the Financial Mechanism in their annual reports to the Conference of the Parties for guidance on further actions if needed;

10. *Agrees* to continue its consideration of this matter at its twenty-fourth session (December 2018).

*9<sup>th</sup> plenary meeting  
17 November 2016*

---

<sup>2</sup> Green Climate Fund Board decision B.14/02. Available at <<http://www.greenclimate.fund/boardroom/board-meetings/documents>>.

## **Third comprehensive review of the implementation of the framework for capacity-building in developing countries under the Convention**

*The Conference of the Parties,*

*Recalling* decisions 2/CP.7, 1/CP.21, and 14/CP.21,

*Reaffirming* that capacity-building should be a participatory, country-driven and continuous process consistent with national priorities and circumstances,

*Also reaffirming* that capacity-building is an integral component of the means of implementation to enable developing country Parties to implement the Convention and the Paris Agreement,

*Noting with appreciation* the technical paper prepared by the secretariat on the third comprehensive review of the implementation of the framework for capacity-building in developing countries,<sup>1</sup>

*Recognizing* the active engagement of a wide spectrum of stakeholders, including State and non-State actors, in planning, implementing and monitoring activities with capacity-building components,

*Also recognizing* the significant increase of information on capacity-building activities made available by Parties, international organizations, the operating entities of the Financial Mechanism, United Nations specialized agencies and other institutions,

*Noting with appreciation* the success of the 5<sup>th</sup> meeting of the Durban Forum for in-depth discussion on capacity-building, held during the forty-fourth session of the Subsidiary Body for Implementation,

*Noting* the significant participation of non-State actors in the 5<sup>th</sup> meeting of the Durban Forum and their useful contributions to the discussions,

---

<sup>1</sup> FCCC/TP/2016/1.

*Also noting* good practices in capacity-building that foster country-driven processes, country ownership, South–South cooperation, participatory as well as iterative approaches to capacity-building,

1. *Recognizes* that, while the objective and scope of capacity-building in developing countries as contained in decision 2/CP.7 are still relevant, current and emerging areas in the context of the Convention and the Paris Agreement should also be taken into account in the further implementation of the framework for capacity-building in developing countries;

2. *Recalls* that the Paris Committee on Capacity-building aims to address both current and emerging gaps and needs in implementing capacity-building in developing country Parties and to further enhance capacity-building efforts, including with regard to coherence and coordination in capacity-building activities under the Convention;

3. *Invites* Parties to consider how to enhance existing reporting on the impacts of capacity-building activities, good practices and lessons learned and on how these are fed back into relevant processes to enhance the implementation of capacity-building activities;

4. *Also invites the* Paris Committee on Capacity-building, in managing the 2016–2020 workplan:

(a) To take into consideration cross-cutting issues such as gender responsiveness, human rights and indigenous peoples' knowledge;

(b) To take into consideration the outcomes of the third comprehensive review of the implementation of the framework for capacity-building in developing countries;

(c) To take into consideration previous work undertaken on indicators for capacity-building;

(d) To promote and explore linkages with other constituted bodies under the Convention and the Paris Agreement, as appropriate, that include capacity-building in their scopes;

(e) To promote and explore synergies for enhanced collaboration with institutions outside the Convention and the Paris Agreement engaged in implementing capacity-building activities;

(f) To take into consideration ways of enhancing reporting on capacity-building activities, taking into account all

initiatives, actions and measures on capacity-building under the Convention and the Paris Agreement as well as existing reporting mandates, in order to achieve coherence and coordination;

5. *Further invites* Parties to foster networking and enhance their collaboration with academia and research centres, with a view to promoting individual, institutional and systemic capacity-building through education, training and public awareness;

6. *Invites* the Subsidiary Body for Implementation to facilitate complementarity between the Durban Forum and the Paris Committee on Capacity-building;

7. *Also invites* Parties to cooperate in order to enhance the capacity of developing country Parties to implement the Convention and the Paris Agreement, and *further invites* developed country Parties to enhance support for capacity-building actions in developing country Parties;

8. *Further invites* relevant intergovernmental and non-governmental organizations, as well as the private sector, academia and other stakeholders, to continue incorporating into their work programmes the scope of needs referred to in paragraph 1 above as contained in decision 2/CP.7;

9. *Invites* United Nations agencies, multilateral organizations and relevant admitted observer organizations engaged in providing capacity-building support to developing countries to provide information to the secretariat to be uploaded on the capacity-building portal;<sup>2</sup>

10. *Also invites* Parties to submit, by 9 March 2017, their views on potential topics for the 6<sup>th</sup> meeting of the Durban Forum;<sup>3</sup>

11. *Further invites* Parties to submit, by 9 March 2017, their views on the fourth review of the implementation of the framework for capacity-building in countries with economies in transition, to be conducted at the forty-sixth session of the Subsidiary Body for Implementation (May 2017) and concluded at the twenty-third session of the Conference of the Parties (November 2017);<sup>4</sup>

12. *Decides* to conclude the third comprehensive review of the implementation of the framework for capacity-building in

---

<sup>2</sup> Available at <<http://unfccc.int/capacitybuilding/core/activities.html>>.

<sup>3</sup> Parties should submit their views via the submissions portal at <<http://www.unfccc.int/5900>>.

<sup>4</sup> As footnote 3 above.

developing countries under the Convention and to initiate the fourth comprehensive review thereof at the fiftieth session of the Subsidiary Body for Implementation (June 2019), with a view to completing that review at the twenty-fifth session of the Conference of the Parties (November 2019);

13. *Takes note* of the budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in paragraph 4 above;

14. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

*9<sup>th</sup> plenary meeting  
17 November 2016*

---



## Decision 1/CMP.12

### **Third Review of the Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 1/CMP.3 and 6/CMP.6 on the three-year review cycle for the Adaptation Fund,

*Also recalling* decisions 2/CMP.9 and 2/CMP.10,

*Further recalling* decision 1/CP.21,

1. *Decides* that the third review of the Adaptation Fund will be undertaken in accordance with the terms of reference contained in the annex;
2. *Requests* the Adaptation Fund Board to make available in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session (November 2017) information on the financial status of the Adaptation Fund with a view to the third review of the Adaptation Fund being finalized at the same session;
3. *Invites* Parties and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and implementing entities accredited by the Adaptation Fund Board, to submit by 30 April 2017 their views on the third review of the Adaptation Fund based on the terms of reference contained in the annex, for consideration by the Subsidiary Body for Implementation at its forty-sixth session (May 2017);<sup>1</sup>
4. *Requests* the secretariat, in collaboration with the Adaptation Fund Board secretariat, to prepare a technical paper on the third review of the Adaptation Fund, in accordance with the terms of reference contained in the annex, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its forty-sixth session and the views referred to in

---

<sup>1</sup> Parties should submit their views via the submissions portal at <<http://www.unfccc.int/5900>>. Observer organizations should e-mail their submissions to <[secretariat@unfccc.int](mailto:secretariat@unfccc.int)>.

paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its forty-seventh session (November 2017);

5. *Also requests* the Subsidiary Body for Implementation to complete its work on the third review of the Adaptation Fund at its forty-seventh session with a view to recommending a draft decision on the matter for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session.

## **Annex**

### **Terms of reference for the third review of the Adaptation Fund**

#### **I. Objective**

1. The objective of the third review of the Adaptation Fund is to ensure the effectiveness, sustainability and adequacy of the fund and its operations with a view to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) adopting a decision on the matter at CMP 13 (November 2017).

#### **II. Scope**

2. The scope of the review will cover the progress made to date and lessons learned in the operationalization and implementation of the fund and will focus on, inter alia:

(a) The provision of sustainable, predictable and adequate financial resources and the mobilization of financial resources to fund concrete adaptation projects and programmes that are country-driven and based on the needs, views and priorities of eligible developing country Parties;

(b) Lessons learned from:

i. The application of the access modalities of the Adaptation Fund, including its operational policies and guidelines, including its Streamlined Accreditation Process;

- ii. The project approval procedures of the Adaptation Fund;
- iii. The results and impacts of approved adaptation projects and programmes;
- iv. The readiness programme for direct access to climate finance, including the component aimed at increasing South–South cooperation between accredited national implementing entities and those seeking accreditation;
- v. The pilot programme for regional projects;

(c) Programming and project coherence and complementarity between the Adaptation Fund and other institutions funding adaptation projects and programmes, in particular institutions under the Convention and the operating entities of the Financial Mechanism and its specialized funds;

(d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

### **III. Sources of information**

3. The review shall draw upon, inter alia, the following sources of information:

(a) Submissions from Parties to the Kyoto Protocol, observer organizations, other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and implementing entities accredited by the Adaptation Fund Board on their experiences regarding the Adaptation Fund;

(b) The annual reports of the Global Environment Facility (GEF) to the Conference of the Parties (COP) on its activities as an operating entity of the Financial Mechanism, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy, information and evaluation documents;

(c) The annual reports of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the Financial Mechanism and other relevant GCF policy and information documents;

(d) The report of the Adaptation Fund Board to the CMP, the Adaptation Fund annual performance report for the most recent fiscal year and the outcomes of the initial and second reviews of the Adaptation Fund;

(e) The outcomes and reports emanating from United Nations processes, relevant bilateral and multilateral funding institutions and other intergovernmental and non-governmental organizations dealing with climate change financing;

(f) The reports of the Standing Committee on Finance;

(g) The reports on the work programme on long-term finance;<sup>2</sup>

(h) The reports of the Least Developed Countries Expert Group, the Adaptation Committee and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention;

(i) The technical paper and summary for policymakers arising from the technical examination process on adaptation in 2016;

(j) The report on the independent evaluation of the Adaptation Fund (stage 1).<sup>3</sup>

*9<sup>th</sup> plenary meeting  
17 November 2016*

---

<sup>2</sup> FCCC/CP/2012/3 and FCCC/CP/2013/7.

<sup>3</sup> Available at <[https://www.adaptation-fund.org/wp-content/uploads/2015/09/AFB.EFC\\_.17.3-Evaluation-of-the-Fund-stage-I.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/09/AFB.EFC_.17.3-Evaluation-of-the-Fund-stage-I.pdf)>.

## Decision 2/CMP.12

### **Report of the Adaptation Fund Board**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling decisions 1/CMP.3, 2/CMP.10 and 1/CMP.11,*

*Also recalling decision 1/CP.21,*

*Noting the annual report of the Adaptation Fund Board,<sup>1</sup>*

1. *Notes* the following information, actions and decisions relating to the Adaptation Fund contained in the report of the Adaptation Fund Board and the oral report provided by the Chair of the Adaptation Fund Board in November 2016:

(a) The accreditation of 25 national implementing entities that can access resources from the Adaptation Fund directly, including 4 entities accredited during the reporting period, and the accreditation of 6 regional implementing entities, including 2 accredited during the reporting period;

(b) Cumulative project and programme approvals reaching USD 358 million as at 9 November 2016;

(c) Funds available for new funding approvals amounting to USD 230.5 million as at 17 November 2016;

(d) The approval of six project/programme proposals, totalling USD 36.8 million, submitted by implementing entities, including four proposals submitted by national implementing entities totalling USD 19.2 million;

(e) The cumulative receipts of USD 546.9 million into the Adaptation Trust Fund;

(f) The institutionalization of the readiness programme for direct access as a permanent component of the Adaptation Fund's operations and the approval of South–South cooperation grants for Guinea, Malawi, Sierra Leone and Zimbabwe totalling USD 242,347, and technical assistance grants for Benin, Costa Rica, Micronesia

---

<sup>1</sup> FCCC/KP/CMP/2016/2.

(the Federated States of), Panama, Senegal and South Africa totalling USD 118,000;

(g) The endorsement of the first concepts and pre-concepts under the pilot programme for regional projects/programmes, as well as the decision of the Adaptation Fund Board to extend the opportunity to submit regional proposals beyond the pilot programme;

(h) The approval of the gender policy and action plan of the Adaptation Fund;

(i) The ongoing discussion on linkages between the Adaptation Fund and the Green Climate Fund;

(j) The fact that, in the light of the early entry into force of the Paris Agreement, the timelines given in paragraphs 59 and 60 of decision 1/CP.21 and paragraphs 8 and 9 of decision 1/CMP.11 may not align;

2. *Decides* to renew the interim institutional arrangements with the Global Environment Facility as the interim secretariat of the Adaptation Fund Board for an additional three years, from 30 May 2017 to 30 May 2020;

3. *Also decides* to restate the terms and conditions of the services to be provided by the International Bank for Reconstruction and Development (the World Bank) as the interim trustee of the Adaptation Fund and to extend the term of the trustee's services for an additional three years, from 30 May 2017 to 30 May 2020;

4. Welcomes the financial pledges and contributions made to the Adaptation Fund by the Governments of Germany, Italy, Sweden and the Flemish and Walloon Regions of Belgium, amounting to USD 81 million;

5. Takes note of the resource mobilization strategy of the Adaptation Fund Board;

6. Notes with concern issues related to the sustainability, adequacy and predictability of funding for the Adaptation Fund based on the current uncertainty on the prices of certified emission reductions, assigned amount units and emission reduction units;

7. *Notes* that the scale of funding required for projects in the active pipeline is estimated to be of the scale of USD 233.5 million and that the current available funds for new projects amount to USD 230.5 million, resulting in a current funding gap of USD 3 million;

8. Encourages developed country Parties to scale up financial resources for the implementation of adaptation projects in the active pipeline of the Adaptation Fund;

9. Also encourages the provision of voluntary support that is additional to the share of proceeds from clean development mechanism project activities in order to support the resource mobilization efforts of the Adaptation Fund Board, with a view to strengthening the Adaptation Fund;

10. Further encourages the Adaptation Fund Board, in implementing its resource mobilization strategy, to further consider all potential sources of funding;

11. Encourages the Adaptation Fund Board to continue its consideration of linkages between the Adaptation Fund and other funds, including the Green Climate Fund, and to report on its findings to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session (November 2017);

12. Highlights the findings of the first stage of an independent overall evaluation of the Adaptation Fund,<sup>2</sup> including that:

(a) The Adaptation Fund has pioneered several issues related to adaptation finance and is meeting developing countries' needs, including those related to direct access;

(b) The design of the Adaptation Fund and its operational processes are efficient and largely coherent with guidance under the Convention and national adaptation priorities;

(c) The Adaptation Fund has allowed countries to advance the implementation of important measures at the national and subnational levels, with links to national policymaking;

(d) The policies adopted by the Adaptation Fund have created a solid foundation for operational success;

13. *Takes note* of the information provided by the Adaptation Fund Board on the added value of the Adaptation Fund for the operationalization of the Paris Agreement, as contained in the addendum to annex I to the report of the Adaptation Fund Board;

---

<sup>2</sup> Available at <<https://www.adaptation-fund.org/document/independent-evaluation-of-the-adaptation-fund-first-phase-evaluation-report/>>.

14. *Invites* the Conference of the Parties to bring the information referred to in paragraph 13 above to the attention of the Ad Hoc Working Group on the Paris Agreement.

*9<sup>th</sup> plenary meeting  
17 November 2016*



## **Third comprehensive review of the implementation of the framework for capacity-building in developing countries under the Kyoto Protocol**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

Recalling decisions 29/CMP.1, 6/CMP.4, 15/CMP.7, 2/CP.7 and 2/CP.17,

1. *Recognizes* that, while the objective and scope of the needs and priority areas identified in the framework for capacity-building in developing countries established under decision 2/CP.7 and the priority areas for capacity-building relating to the participation of developing countries in project activities under the clean development mechanism as contained in decision 29/CMP.1 are still relevant, current and emerging areas should also be taken into consideration in the further implementation of capacity-building activities in developing countries;

2. *Invites* Parties to continue to implement the framework for capacity-building *in* developing countries under the Kyoto Protocol by:

(a) Enhancing consultations with all stakeholders throughout the development of projects;

(b) Enhancing the capacity of stakeholders to identify, attract, apply for and manage different types of public and private financial resources;

(c) Strengthening networking and information sharing, including among developing countries, especially through South-South cooperation;

(d) Strengthening the capacity of designated national authorities through regional collaboration centers;

3. *Also invites* Parties to consider how to enhance existing reporting on the *impacts* of capacity-building activities, good practices and lessons learned and on how they are fed back into

relevant processes to enhance the implementation of capacity-building activities;

4. *Further invites* all Parties to cooperate to enhance the capacity of developing country Parties to implement the Kyoto Protocol, and *developed* country Parties to enhance support for capacity-building actions in developing country Parties;

5. *Invites* relevant intergovernmental and non-governmental organizations, as well as the private sector, academia and other stakeholders, to *continue* incorporating into their work programmes the scope of capacity-building needs as contained in decisions 29/CMP.1 and 6/CMP.4;

6. *Decides* to conclude the third comprehensive review of the implementation of the framework for capacity-building in developing countries *under* the Kyoto Protocol and to initiate the fourth comprehensive review thereof at the fifty-second session of the Subsidiary Body for Implementation, with a view to completing that review at the seventeenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

7. *Invites* Parties, observers and other stakeholders to submit, by 9 March 2017, their views on the fourth review of the implementation of the *framework* for capacity-building in countries with economies in transition established under decision 3/CP.7, to be conducted at the forty-sixth session of the Subsidiary Body for Implementation (May 2017) and concluded at the thirteenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (November 2017);<sup>1,2</sup>

8. *Also invites* Parties and observers to submit, by 9 March 2017, suggestions for potential *topics* related to the Kyoto Protocol for the 6<sup>th</sup> meeting of the Durban Forum;<sup>3</sup>

9. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

*9<sup>th</sup> plenary meeting  
17 November 2016*

---

<sup>1</sup> As per decision 11/CMP.8, paragraph 4.

<sup>2</sup> Parties should submit their views via the submission portal at <<http://www.unfccc.int/5900>>. Observers and other stakeholders should e-mail their submissions to <[secretariat@unfccc.int](mailto:secretariat@unfccc.int)>.

<sup>3</sup> As footnote 2 above

Decision 1/CP.21  
(FCCC/CP/2015/10/Add.1)

## **Adoption of the Paris Agreement**

*The Conference of the Parties,*

*Recalling* decision 1/CP.17 on the establishment of the Ad Hoc Working Group on the Durban Platform for Enhanced Action,

*Also recalling* Articles 2, 3 and 4 of the Convention,

*Further recalling relevant* decisions of the Conference of the Parties, including decisions 1/CP.16, 2/CP.18, 1/CP.19 and 1/CP.20,

*Welcoming* the adoption of United Nations General Assembly resolution A/RES/70/1, “Transforming our world: the 2030 Agenda for Sustainable Development”, in particular its goal 13, and the adoption of the Addis Ababa Action Agenda of the third International Conference on Financing for Development and the adoption of the Sendai Framework for Disaster Risk Reduction,

*Recognizing* that climate change represents an urgent and potentially irreversible threat to human societies and the planet and thus requires the widest possible cooperation by all countries, and their participation in an effective and appropriate international response, with a view to accelerating the reduction of global greenhouse gas emissions,

*Also recognizing* that deep reductions in global emissions will be required in order to achieve the ultimate objective of the Convention and *emphasizing* the need for urgency in addressing climate change,

*Acknowledging* that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

*Also acknowledging* the specific needs and concerns of developing country Parties arising from the impact of the

implementation of response measures and, in this regard, decisions 5/CP.7, 1/CP.10, 1/CP.16 and 8/CP.17,

*Emphasizing* with serious concern the urgent need to address the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels,

*Also emphasizing* that enhanced pre-2020 ambition can lay a solid foundation for enhanced post-2020 ambition,

*Stressing* the urgency of accelerating the implementation of the Convention and its Kyoto Protocol in order to enhance pre-2020 ambition,

*Recognizing* the urgent need to enhance the provision of finance, technology and capacity-building support by developed country Parties, in a predictable manner, to enable enhanced pre-2020 action by developing country Parties,

*Emphasizing* the enduring benefits of ambitious and early action, including major reductions in the cost of future mitigation and adaptation efforts,

*Acknowledging* the need to promote universal access to sustainable energy in developing countries, in particular in Africa, through the enhanced deployment of renewable energy,

*Agreeing* to uphold and promote regional and international cooperation in order to mobilize stronger and more ambitious climate action by all Parties and non-Party stakeholders, including civil society, the private sector, financial institutions, cities and other subnational authorities, local communities and indigenous peoples,

## **I. Adoption**

1. *Decides* to adopt the Paris Agreement under the United Nations Framework Convention on Climate Change (hereinafter referred to as “the Agreement”) as contained in the annex;

2. *Requests* the Secretary-General of the United Nations to be the Depositary of the Agreement and to have it open for signature in New York, United States of America, from 22 April 2016 to 21 April 2017;

3. *Invites* the Secretary-General to convene a high-level signature ceremony for the Agreement on 22 April 2016;
4. *Also invites* all Parties to the Convention to sign the Agreement at the ceremony to be convened by the Secretary-General, or at their earliest opportunity, and to deposit their respective instruments of ratification, acceptance, approval or accession, where appropriate, as soon as possible;
5. *Recognizes* that Parties to the Convention may provisionally apply all of the provisions of the Agreement pending its entry into force, and *requests* Parties to provide notification of any such provisional application to the Depositary;
6. *Notes* that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action, in accordance with decision 1/CP.17, paragraph 4, has been completed;
7. *Decides* to establish the Ad Hoc Working Group on the Paris Agreement under the same arrangement, mutatis mutandis, as those concerning the election of officers to the Bureau of the Ad Hoc Working Group on the Durban Platform for Enhanced Action;<sup>1</sup>
8. *Also decides* that the Ad Hoc Working Group on the Paris Agreement shall prepare for the entry into force of the Agreement and for the convening of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
9. *Further decides* to oversee the implementation of the work programme resulting from the relevant requests contained in this decision;
10. *Requests* the Ad Hoc Working Group on the Paris Agreement to report regularly to the Conference of the Parties on the progress of its work and to complete its work by the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
11. *Decides* that the Ad Hoc Working Group on the Paris Agreement shall hold its sessions starting in 2016 in conjunction with the sessions of the Convention subsidiary bodies and shall prepare draft decisions to be recommended through the Conference of the Parties to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session;

---

<sup>1</sup> Endorsed by decision 2/CP.18, paragraph 2.

## II. Intended nationally determined contributions

12. *Welcomes* the intended nationally determined contributions that have been communicated by Parties in accordance with decision 1/CP.19, paragraph 2(b);

13. *Reiterates* its invitation to all Parties that have not yet done so to communicate to the secretariat their intended nationally determined contributions towards achieving the objective of the Convention as set out in its Article 2 as soon as possible and well in advance of the twenty-second session of the Conference of the Parties (November 2016) and in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;

14. *Requests* the secretariat to continue to publish the intended nationally determined contributions communicated by Parties on the UNFCCC website;

15. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;

16. *Takes note* of the synthesis report on the aggregate effect of intended nationally determined contributions communicated by Parties by 1 October 2015, contained in document FCCC/CP/2015/7;

17. *Notes with concern* that the estimated aggregate greenhouse gas emission levels in 2025 and 2030 resulting from the intended nationally determined contributions do not fall within least-cost 2 °C scenarios but rather lead to a projected level of 55 gigatonnes in 2030, and *also notes* that much greater emission reduction efforts will be required than those associated with the intended nationally determined contributions in order to hold the increase in the global average temperature to below 2 °C above pre-industrial levels by reducing emissions to 40 gigatonnes or to 1.5 °C above pre-industrial levels by reducing to a level to be identified in the special report referred to in paragraph 21 below;

18. *Further notes*, in this context, the adaptation needs expressed by many developing country Parties in their intended nationally determined contributions;

19. *Requests* the secretariat to update the synthesis report referred to in paragraph 16 above so as to cover all the information in the

intended nationally determined contributions communicated by Parties pursuant to decision 1/CP.20 by 4 April 2016 and to make it available by 2 May 2016;

20. *Decides* to convene a facilitative dialogue among Parties in 2018 to take stock of the collective efforts of Parties in relation to progress towards the long-term goal referred to in Article 4, paragraph 1, of the Agreement and to inform the preparation of nationally determined contributions pursuant to Article 4, paragraph 8, of the Agreement;

21. *Invites* the Intergovernmental Panel on Climate Change to provide a special report in 2018 on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways;

### **III. Decisions to give effect to the Agreement**

#### Mitigation

22. *Also invites* Parties to communicate their first nationally determined contribution no later than when the Party submits its respective instrument of ratification, acceptance, approval or accession of the Paris Agreement; if a Party has communicated an intended nationally determined contribution prior to joining the Agreement, that Party shall be considered to have satisfied this provision unless that Party decides otherwise;

23. *Requests* those Parties whose intended nationally determined contribution pursuant to decision 1/CP.20 contains a time frame up to 2025 to communicate by 2020 a new nationally determined contribution and to do so every five years thereafter pursuant to Article 4, paragraph 9, of the Agreement;

24. *Also requests* those Parties whose intended nationally determined contribution pursuant to decision 1/CP.20 contains a time frame up to 2030 to communicate or update by 2020 these contributions and to do so every five years thereafter pursuant to Article 4, paragraph 9, of the Agreement;

25. *Decides* that Parties shall submit to the secretariat their nationally determined contributions referred to in Article 4 of the Agreement at least 9 to 12 months in advance of the relevant session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with a view to facilitating the clarity,

transparency and understanding of these contributions, including through a synthesis report prepared by the secretariat;

26. *Requests* the Ad Hoc Working Group on the Paris Agreement to develop further guidance on features of the nationally determined contributions for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

27. *Agrees* that the information to be provided by Parties communicating their nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its nationally determined contribution is fair and ambitious, in the light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2;

28. *Requests* the Ad Hoc Working Group on the Paris Agreement to develop further guidance for the information to be provided by Parties in order to facilitate clarity, transparency and understanding of nationally determined contributions for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

29. *Also requests* the Subsidiary Body for Implementation to develop modalities and procedures for the operation and use of the public registry referred to in Article 4, paragraph 12, of the Agreement, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

30. *Further requests* the secretariat to make available an interim public registry in the first half of 2016 for the recording of nationally determined contributions submitted in accordance with Article 4 of the Agreement, pending the adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement of the modalities and procedures referred to in paragraph 29 above;

31. *Requests* the Ad Hoc Working Group on the Paris Agreement to elaborate, drawing from approaches established under the Convention and its related legal instruments as appropriate, guidance



for accounting for Parties' nationally determined contributions, as referred to in Article 4, paragraph 13, of the Agreement, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session, which ensures that:

(a) Parties account for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

(b) Parties ensure methodological consistency, including on baselines, between the communication and implementation of nationally determined contributions;

(c) Parties strive to include all categories of anthropogenic emissions or removals in their nationally determined contributions and, once a source, sink or activity is included, continue to include it;

(d) Parties shall provide an explanation of why any categories of anthropogenic emissions or removals are excluded;

32. *Decides* that Parties shall apply the guidance referred to in paragraph 31 above to the second and subsequent nationally determined contributions and that Parties may elect to apply such guidance to their first nationally determined contribution;

33. *Also decides* that the forum on the impact of the implementation of response measures, under the subsidiary bodies, shall continue, and shall serve the Agreement;

34. *Further decides* that the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation shall recommend, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session, the modalities, work programme and functions of the forum on the impact of the implementation of response measures to address the effects of the implementation of response measures under the Agreement by enhancing cooperation amongst Parties on understanding the impacts of mitigation actions under the Agreement and the exchange of information, experiences, and best practices amongst Parties to raise their resilience to these impacts;

35. *Invites* Parties to communicate, by 2020, to the secretariat mid-century, long-term low greenhouse gas emission development strategies in accordance with Article 4, paragraph 19, of the

Agreement, and *requests* the secretariat to publish on the UNFCCC website Parties' low greenhouse gas emission development strategies as communicated;

36. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop and recommend the guidance referred to under Article 6, paragraph 2, of the Agreement for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session, including guidance to ensure that double counting is avoided on the basis of a corresponding adjustment by Parties for both anthropogenic emissions by sources and removals by sinks covered by their nationally determined contributions under the Agreement;

37. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement adopt rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Agreement on the basis of:

(a) Voluntary participation authorized by each Party involved;

(b) Real, measurable, and long-term benefits related to the mitigation of climate change;

(c) Specific scopes of activities;

(d) Reductions in emissions that are additional to any that would otherwise occur;

(e) Verification and certification of emission reductions resulting from mitigation activities by designated operational entities;

(f) Experience gained with and lessons learned from existing mechanisms and approaches adopted under the Convention and its related legal instruments;

38. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop and recommend rules, modalities and procedures for the mechanism referred to in paragraph 37 above for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

39. *Also requests* the Subsidiary Body for Scientific and Technological Advice to undertake a work programme under the framework for non-market approaches to sustainable development referred to in Article 6, paragraph 8, of the Agreement, with the objective of considering how to enhance linkages and create synergy

between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building, and how to facilitate the implementation and coordination of non-market approaches;

40. *Further requests* the Subsidiary Body for Scientific and Technological Advice to recommend a draft decision on the work programme referred to in paragraph 39 above, taking into account the views of Parties, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

#### Adaptation

41. *Requests* the Adaptation Committee and the Least Developed Countries Expert Group to jointly develop modalities to recognize the adaptation efforts of developing country Parties, as referred to in Article 7, paragraph 3, of the Agreement, and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

42. *Also requests* the Adaptation Committee, taking into account its mandate and its second three-year workplan, and with a view to preparing recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session:

(a) To review, in 2017, the work of adaptation-related institutional arrangements under the Convention, with a view to identifying ways to enhance the coherence of their work, as appropriate, in order to respond adequately to the needs of Parties;

(b) To consider methodologies for assessing adaptation needs with a view to assisting developing country Parties, without placing an undue burden on them;

43. *Invites* all relevant United Nations agencies and international, regional and national financial institutions to provide information to Parties through the secretariat on how their development assistance and climate finance programmes incorporate climate-proofing and climate resilience measures;

44. *Requests* Parties to strengthen regional cooperation on adaptation where appropriate and, where necessary, establish regional centres and networks, in particular in developing countries, taking into account decision 1/CP.16, paragraph 30;

45. *Also requests* the Adaptation Committee and the Least Developed Countries Expert Group, in collaboration with the Standing Committee on Finance and other relevant institutions, to develop methodologies, and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session on:

(a) Taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries in the context of the limit to global average temperature increase referred to in Article 2 of the Agreement;

(b) Reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Agreement;

46. *Further requests* the Green Climate Fund to expedite support for the least developed countries and other developing country Parties for the formulation of national adaptation plans, consistent with decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of policies, projects and programmes identified by them;

#### Loss and damage

47. Decides on the continuation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, following the review in 2016;

48. Requests the Executive Committee of the Warsaw International Mechanism to establish a clearing house for risk transfer that serves as a repository for information on insurance and risk transfer, in order to facilitate the efforts of Parties to develop and implement comprehensive risk management strategies;

49. Also requests the Executive Committee of the Warsaw International Mechanism to establish, according to its procedures and mandate, a task force to complement, draw upon the work of and involve, as appropriate, existing bodies and expert groups under the Convention including the Adaptation Committee and the Least Developed Countries Expert Group, as well as relevant organizations and expert bodies outside the Convention, to develop recommendations for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change;

50. Further requests the Executive Committee of the Warsaw International Mechanism to initiate its work, at its next meeting, to operationalize the provisions referred to in paragraphs 48 and 49 above, and to report on progress thereon in its annual report;

51. Agrees that Article 8 of the Agreement does not involve or provide a basis for any liability or compensation;

#### Finance

52. *Decides* that, in the implementation of the Agreement, financial resources provided to developing country Parties should enhance the implementation of their policies, strategies, regulations and action plans and their climate change actions with respect to both mitigation and adaptation to contribute to the achievement of the purpose of the Agreement as defined in its Article 2;

53. *Also decides* that, in accordance with Article 9, paragraph 3, of the Agreement, developed countries intend to continue their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation; prior to 2025 the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement shall set a new collective quantified goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries;

54. *Recognizes* the importance of adequate and predictable financial resources, including for results-based payments, as appropriate, for the implementation of policy approaches and positive incentives for reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks; as well as alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests; while reaffirming the importance of non-carbon benefits associated with such approaches; encouraging the coordination of support from, inter alia, public and private, bilateral and multilateral sources, such as the Green Climate Fund, and alternative sources in accordance with relevant decisions by the Conference of the Parties;

55. *Decides* to initiate, at its twenty-second session, a process to identify the information to be provided by Parties, in accordance with Article 9, paragraph 5, of the Agreement with a view to providing a recommendation for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

56. *Also decides* to ensure that the provision of information in accordance with Article 9, paragraph 7, of the Agreement shall be undertaken in accordance with the modalities, procedures and guidelines referred to in paragraph 91 below;

57. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Agreement for consideration by the Conference of the Parties at its twenty-fourth session (November 2018), with a view to making a recommendation for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

58. *Decides* that the Green Climate Fund and the Global Environment Facility, the entities entrusted with the operation of the Financial Mechanism of the Convention, as well as the Least Developed Countries Fund and the Special Climate Change Fund, administered by the Global Environment Facility, shall serve the Agreement;

59. *Recognizes* that the Adaptation Fund may serve the Agreement, subject to relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

60. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to consider the issue referred to in paragraph 59 above and make a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

61. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement shall provide guidance to the entities entrusted with the operation of the Financial Mechanism of the Convention on the policies, programme priorities and eligibility criteria related to the Agreement for transmission by the Conference of the Parties;

62. *Decides* that the guidance to the entities entrusted with the operations of the Financial Mechanism of the Convention in relevant decisions of the Conference of the Parties, including those agreed before adoption of the Agreement, shall apply *mutatis mutandis* to the Agreement;

63. *Also decides* that the Standing Committee on Finance shall serve the Agreement in line with its functions and responsibilities established under the Conference of the Parties;

64. *Urges* the institutions serving the Agreement to enhance the coordination and delivery of resources to support country-driven strategies through simplified and efficient application and approval procedures, and through continued readiness support to developing country Parties, including the least developed countries and small island developing States, as appropriate;

#### Technology development and transfer

65. *Takes note of* the interim report of the Technology Executive Committee on guidance on enhanced implementation of the results of technology needs assessments as contained in document FCCC/SB/2015/INF.3;

66. *Decides* to strengthen the Technology Mechanism and *requests* the Technology Executive Committee and the Climate Technology Centre and Network, in supporting the implementation of the Agreement, to undertake further work relating to, inter alia:

(a) Technology research, development and demonstration;

(b) The development and enhancement of endogenous capacities and technologies;

67. *Requests* the Subsidiary Body for Scientific and Technological Advice to initiate, at its forty-fourth session (May 2016), the elaboration of the technology framework established under Article 10, paragraph 4, of the Agreement and to report on its findings to the Conference of the Parties, with a view to the Conference of the Parties making a recommendation on the framework to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session, taking into consideration that the framework should facilitate, inter alia:

(a) The undertaking and updating of technology needs assessments, as well as the enhanced implementation of their results, particularly technology action plans and project ideas, through the preparation of bankable projects;

(b) The provision of enhanced financial and technical support for the implementation of the results of the technology needs assessments;

(c) The assessment of technologies that are ready for transfer;

(d) The enhancement of enabling environments for and the addressing of barriers to the development and transfer of socially and environmentally *sound technologies*;

68. *Decides* that the Technology Executive Committee and the Climate Technology Centre and Network shall report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, through the subsidiary bodies, on their activities to support the implementation of the Agreement;

69. *Also decides* to undertake a periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting the implementation of the Agreement on matters relating to technology development and transfer;

70. *Requests the* Subsidiary Body for Implementation to initiate, at its forty-fourth session, the elaboration of the scope of and modalities for the periodic assessment referred to in paragraph 69 above, taking into account the review of the Climate Technology Centre and Network as referred to in decision 2/CP.17, annex VII, paragraph 20, and the modalities for the global stocktake referred to in Article 14 of the Agreement, for consideration and adoption by the Conference of the Parties at its twenty-fifth session (November 2019);

#### Capacity-building

71. *Decides* to establish the Paris Committee on Capacity-building whose aim will be to address gaps and needs, both current and emerging, in implementing capacity-building in developing country Parties and further enhancing capacity-building efforts, including with regard to coherence and coordination in capacity-building activities under the Convention;

72. *Also decides* that the Paris Committee on Capacity-building will manage and oversee the workplan referred to in paragraph 73 below;

73. *Further decides* to launch a workplan for the period 2016–2020 with the following activities:

(a) Assessing how to increase synergies through cooperation and avoid duplication among existing bodies established under the Convention that implement capacity-building activities,



including through collaborating with institutions under and outside the Convention;

(b) Identifying capacity gaps and needs and recommending ways to address them;

(c) Promoting the development and dissemination of tools and methodologies for the implementation of capacity-building;

(d) Fostering global, regional, national and subnational cooperation;

(e) Identifying and collecting good practices, challenges, experiences and lessons learned from work on capacity-building by bodies established under the Convention;

(f) Exploring how developing country Parties can take ownership of building and *maintaining capacity over time and space*;

(g) Identifying opportunities to strengthen capacity at the national, regional and subnational level;

(h) Fostering dialogue, coordination, collaboration and coherence among relevant processes and initiatives under the Convention, including through exchanging information on capacity-building activities and strategies of bodies established under the Convention;

(i) Providing guidance to the secretariat on the maintenance and further development of the web-based capacity-building portal;

74. *Decides* that the Paris Committee on Capacity-building will annually focus on an area or theme related to enhanced technical exchange on capacity-building, with the purpose of maintaining up-to-date knowledge on the successes and challenges in building capacity effectively in a particular area;

75. *Requests* the Subsidiary Body for Implementation to organize annual in-session meetings of the Paris Committee on Capacity-building;

76. *Also requests* the Subsidiary Body for Implementation to develop the terms of reference for the Paris Committee on Capacity-building, in the context of the third comprehensive review of the implementation of the capacity-building framework, also taking into account paragraphs 71–75 above and paragraphs 79 and 80 below, with a view to recommending a draft decision on this matter for

consideration and adoption by the Conference of the Parties at its twenty-second session;

77. *Invites* Parties to submit their views on the membership of the Paris Committee on Capacity-building by 9 March 2016;<sup>2</sup>

78. *Requests* the secretariat to compile the submissions referred to in paragraph 77 above into a miscellaneous document for consideration by the Subsidiary Body for Implementation at its forty-fourth session;

79. *Decides* that the inputs to the Paris Committee on Capacity-building will include, inter alia, submissions, the outcome of the third comprehensive review of the implementation of the capacity-building framework, the secretariat's annual synthesis report on the implementation of the framework for capacity-building in developing countries, the secretariat's compilation and synthesis report on capacity-building work of bodies established under the Convention and its Kyoto Protocol, and reports on the Durban Forum and the capacity-building portal;

80. *Requests* the Paris Committee on Capacity-building to prepare annual technical progress reports on its work, and to make these reports available at the sessions of the Subsidiary Body for Implementation coinciding with the sessions of the Conference of the Parties;

81. *Decides*, at its twenty-fifth session, to review the progress, need for extension, the effectiveness and enhancement of the Paris Committee on Capacity-building and to take any action it considers appropriate, with a view to making recommendations to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session on enhancing institutional arrangements for capacity-building consistent with Article 11, paragraph 5, of the Agreement;

82. *Calls upon* all Parties to ensure that education, training and public awareness, as reflected in Article 6 of the Convention and in Article 12 of the Agreement, are adequately considered in their contribution to capacity-building;

83. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its first session, to explore ways of enhancing the implementation of training, public awareness,

---

<sup>2</sup> Parties should submit their views via the submissions portal at <<http://www.unfccc.int/5900>>.

public participation and public access to information so as to enhance actions under the Agreement;

Transparency of action and support

84. *Decides* to establish a Capacity-building Initiative for Transparency in order to build institutional and technical capacity, both pre- and post-2020; this initiative will support developing country Parties, upon request, in meeting enhanced transparency requirements as defined in Article 13 of the Agreement in a timely manner;

85. *Also decides* that the Capacity-building Initiative for Transparency will aim:

(a) To strengthen national institutions for transparency-related activities in line with national priorities;

(b) To provide relevant tools, training and assistance for meeting the provisions stipulated in Article 13 of the Agreement;

(c) To assist in the improvement of transparency over time;

86. *Urges and requests* the Global Environment Facility to make arrangements to support the establishment and operation of the Capacity-building Initiative for Transparency as a priority reporting-related need, including through voluntary contributions to support developing country Parties in the sixth replenishment of the Global Environment Facility and future replenishment cycles, to complement existing support under the Global Environment Facility;

87. *Decides* to assess the implementation of the Capacity-building Initiative for Transparency in the context of the seventh review of the Financial Mechanism;

88. *Requests* that the Global Environment Facility, as an operating entity of the Financial Mechanism, include in its annual report to the Conference of the Parties the progress of work in the design, development and implementation of the Capacity-building Initiative for Transparency referred to in paragraph 84 above starting in 2016;

89. *Decides* that, in accordance with Article 13, paragraph 2, of the Agreement, developing country Parties shall be provided flexibility in the implementation of the provisions of that Article, including in the scope, frequency and level of detail of reporting, and in the scope of review, and that the scope of review could provide for in-country reviews to be optional, while such flexibilities shall be

reflected in the development of modalities, procedures and guidelines referred to in paragraph 91 below;

90. *Also decides* that all Parties, except for the least developed country Parties and small island developing States, shall submit the information referred to in Article 13, paragraphs 7, 8, 9 and 10, of the Agreement, as appropriate, no less frequently than on a biennial basis, and that the least developed country Parties and small island developing States may submit this information at their discretion;

91. *Requests* the Ad Hoc Working Group on the Paris Agreement to develop recommendations for modalities, procedures and guidelines in accordance with Article 13, paragraph 13, of the Agreement, and to define the year of their first and subsequent review and update, as appropriate, at regular intervals, for consideration by the Conference of the Parties, at its twenty-fourth session, with a view to forwarding them to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session;

92. *Also requests* the Ad Hoc Working Group on the Paris Agreement, in developing the recommendations for the modalities, procedures and guidelines referred to in paragraph 91 above, to take into account, inter alia:

(a) The importance of facilitating improved reporting and transparency over time;

(b) The need to provide flexibility to those developing country Parties that need it in the light of their capacities;

(c) The need to promote transparency, accuracy, completeness, consistency and comparability;

(d) The need to avoid duplication as well as undue burden on Parties and the secretariat;

(e) The need to ensure that Parties maintain at least the frequency and quality of reporting in accordance with their respective obligations under the Convention;

(f) The need to ensure that double counting is avoided;

(g) The need to ensure environmental integrity;

93. *Further requests* the Ad Hoc Working Group on the Paris Agreement, in developing the modalities, procedures and guidelines referred to in paragraph 91 above, to draw on the experiences from

and take into account other ongoing relevant processes under the Convention;

94. *Requests* the Ad Hoc Working Group on the Paris Agreement, in developing the modalities, procedures and guidelines referred to in paragraph 91 above, to consider, inter alia:

(a) The types of flexibility available to those developing country Parties that need it on the basis of their capacities;

(b) The consistency between the methodology communicated in the nationally determined contribution and the methodology for reporting on progress made towards achieving individual Parties' respective nationally determined contribution;

(c) That Parties report information on adaptation action and planning including, if appropriate, their national adaptation plans, with a view to collectively exchanging information and sharing lessons learned;

(d) Support provided, enhancing delivery of support for both adaptation and mitigation through, inter alia, the common tabular formats for reporting support, and taking into account issues considered by the Subsidiary Body for Scientific and Technological Advice on methodologies for reporting on financial information, and enhancing the reporting by developing country Parties on support received, including the use, impact and estimated results thereof;

(e) Information in the biennial assessments and other reports of the Standing Committee on Finance and other relevant bodies under the Convention;

(f) Information on the social and economic impact of response measures;

95. *Also requests* the Ad Hoc Working Group on the Paris Agreement, in developing recommendations for the modalities, procedures and guidelines referred to in paragraph 91 above, to enhance the transparency of support provided in accordance with Article 9 of the Agreement;

96. *Further requests* the Ad Hoc Working Group on the Paris Agreement to report on the progress of work on the modalities, procedures and guidelines referred to in paragraph 91 above to future sessions of the Conference of the Parties, and that this work be concluded no later than 2018;

97. *Decides* that the modalities, procedures and guidelines developed under paragraph 91 above shall be applied upon the entry into force of the Paris Agreement;

98. *Also decides* that the modalities, procedures and guidelines of this transparency framework shall build upon and eventually supersede the measurement, reporting and verification system established by decision 1/CP.16, paragraphs 40–47 and 60–64, and decision 2/CP.17, paragraphs 12–62, immediately following the submission of the final biennial reports and biennial update reports;

#### Global stocktake

99. *Requests* the Ad Hoc Working Group on the Paris Agreement to identify the sources of input for the global stocktake referred to in Article 14 of the Agreement and to report to the Conference of the Parties, with a view to the Conference of the Parties making a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session, including, but not limited to:

(a) Information on:

(i) The overall effect of the nationally determined contributions communicated by Parties;

(ii) The state of adaptation efforts, support, experiences and priorities from the communications referred to in Article 7, paragraphs 10 and 11, of the Agreement, and reports referred to in Article 13, paragraph 8, of the Agreement;

(iii) The mobilization and provision of support;

(b) The latest reports of the Intergovernmental Panel on Climate Change;

(c) Reports of the subsidiary bodies;

100. *Also requests* the Subsidiary Body for Scientific and Technological Advice to provide advice on how the assessments of the Intergovernmental Panel on Climate Change can inform the global stocktake of the implementation of the Agreement pursuant to its Article 14 and to report on this matter to the Ad Hoc Working Group on the Paris Agreement at its second session;

101. *Further requests* the Ad Hoc Working Group on the Paris Agreement to develop modalities for the global stocktake referred to in Article 14 of the Agreement and to report to the Conference of the Parties, with a view to the Conference of the Parties making a

recommendation to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its first session;

#### Facilitating implementation and compliance

102. *Decides* that the committee referred to in Article 15, paragraph 2, of the Agreement shall consist of 12 members with recognized competence in relevant scientific, technical, socioeconomic or legal fields, to be elected by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the basis of equitable geographical representation, with two members each from the five regional groups of the United Nations and one member each from the small island developing States and the least developed countries, while taking into account the goal of gender balance;

103. *Requests* the Ad Hoc Working Group on the Paris Agreement to develop the modalities and procedures for the effective operation of the committee referred to in Article 15, paragraph 2, of the Agreement, with a view to the Ad Hoc Working Group on the Paris Agreement completing its work on such modalities and procedures for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

#### Final clauses

104. *Also requests* the secretariat, solely for the purposes of Article 21 of the Agreement, to make available on its website on the date of adoption of the Agreement as well as in the report of the Conference of the Parties on its twenty-first session, information on the most up-to-date total and per cent of greenhouse gas emissions communicated by Parties to the Convention in their national communications, greenhouse gas inventory reports, biennial reports or biennial update reports;

## **IV. Enhanced action prior to 2020**

105. *Resolves* to ensure the highest possible mitigation efforts in the pre-2020 period, including by:

(a) Urging all Parties to the Kyoto Protocol that have not already done so to ratify and implement the Doha Amendment to the Kyoto Protocol;

(b) Urging all Parties that have not already done so to make and implement a mitigation pledge under the Cancun Agreements;

(c) Reiterating its resolve, as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;

(d) Inviting developing country Parties that have not submitted their first biennial update reports to do so as soon as possible;

(e) Urging all Parties to participate in the existing measurement, reporting and verification processes under the Cancun Agreements, in a timely manner, with a view to demonstrating progress made in the implementation of their mitigation pledges;

106. *Encourages* Parties to promote the voluntary cancellation by Party and non-Party stakeholders, without double counting, of units issued under the Kyoto Protocol, including certified emission reductions that are valid for the second commitment period;

107. *Urges* host and purchasing Parties to report transparently on internationally transferred mitigation outcomes, including outcomes used to meet international pledges, and emission units issued under the Kyoto Protocol with a view to promoting environmental integrity and avoiding double counting;

108. *Recognizes* the social, economic and environmental value of voluntary mitigation actions and their co-benefits for adaptation, health and sustainable development;

109. *Resolves* to strengthen, in the period 2016–2020, the existing technical examination process on mitigation as defined in decision 1/CP.19, paragraph 5(a), and decision 1/CP.20, paragraph 19, taking into account the latest scientific knowledge, including by:

(a) Encouraging Parties, Convention bodies and international organizations to engage in this process, including, as appropriate, in cooperation with relevant non-Party stakeholders, to share their experiences and suggestions, including from regional events, and to cooperate in facilitating the implementation of policies, practices and actions identified during this process in accordance with national sustainable development priorities;



(b) Striving to improve, in consultation with Parties, access to and participation in this process by developing country Party and non-Party experts;

(c) Requesting the Technology Executive Committee and the Climate Technology Centre and Network in accordance with their respective mandates:

(i) To engage in the technical expert meetings and enhance their efforts to facilitate and support Parties in scaling up the implementation of policies, practices and actions identified during this process;

(ii) To provide regular updates during the technical expert meetings on the progress made in facilitating the implementation of policies, practices and actions previously identified during this process;

(iii) To include information on their activities under this process in their joint annual report to the Conference of the Parties;

(d) Encouraging Parties to make effective use of the Climate Technology Centre and Network to obtain assistance to develop economically, environmentally and socially viable project proposals in the high mitigation potential areas identified in this process;

110. *Encourages* the operating entities of the Financial Mechanism of the Convention to engage in the technical expert meetings and to inform participants of their contribution to facilitating progress in the implementation of policies, practices and actions identified during the technical examination process;

111. *Requests* the secretariat to organize the process referred to in paragraph 109 above and disseminate its results, including by:

(a) Organizing, in consultation with the Technology Executive Committee and relevant expert organizations, regular technical expert meetings focusing on specific policies, practices and actions representing best practices and with the potential to be scalable and replicable;

(b) Updating, on an annual basis, following the meetings referred to in paragraph 111(a) above and in time to serve as input to the summary for policymakers referred to in paragraph 111(c) below, a technical paper on the mitigation benefits and co-benefits of policies, practices and actions for enhancing mitigation ambition, as

well as on options for supporting their implementation, information on which should be made available in a user-friendly online format;

(c) Preparing, in consultation with the champions referred to in paragraph 121 below, a summary for policymakers, with information on specific policies, practices and actions representing best practices and with the potential to be scalable and replicable, and on options to support their implementation, as well as on relevant collaborative initiatives, and publishing the summary at least two months in advance of each session of the Conference of the Parties as input for the high-level event referred to in paragraph 120 below;

112. *Decides* that the process referred to in paragraph 109 above should be organized jointly by the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice and should take place on an ongoing basis until 2020;

113. *Also decides* to conduct in 2017 an assessment of the process referred to in paragraph 109 above so as to improve its effectiveness;

114. *Resolves* to enhance the provision of urgent and adequate finance, technology and capacity-building support by developed country Parties in order to enhance the level of ambition of pre-2020 action by Parties, and in this regard *strongly urges* developed country Parties to scale up their level of financial support, with a concrete road map to achieve the goal of jointly providing USD 100 billion annually by 2020 for mitigation and adaptation while significantly increasing adaptation finance from current levels and to further provide appropriate technology and capacity-building support;

115. *Decides* to conduct a facilitative dialogue in conjunction with the twenty-second session of the Conference of the Parties to assess the progress in implementing decision 1/CP.19, paragraphs 3 and 4, and identify relevant opportunities to enhance the provision of financial resources, including for technology development and transfer, and capacity-building support, with a view to identifying ways to enhance the ambition of mitigation efforts by all Parties, including identifying relevant opportunities to enhance the provision and mobilization of support and enabling environments;

116. *Acknowledges* with appreciation the results of the Lima-Paris Action Agenda, which build on the climate summit convened on 23 September 2014 by the Secretary-General of the United Nations;

117. *Welcomes* the efforts of non-Party stakeholders to scale up their climate actions, and *encourages* the registration of those actions in the Non-State Actor Zone for Climate Action platform;<sup>3</sup>

118. *Encourages* Parties to work closely with non-Party stakeholders to catalyse efforts to strengthen mitigation and adaptation action;

119. *Also encourages* non-Party stakeholders to increase their engagement in the processes referred to in paragraph 109 above and paragraph 124 below;

120. *Agrees* to convene, pursuant to decision 1/CP.20, paragraph 21, building on the Lima-Paris Action Agenda and in conjunction with each session of the Conference of the Parties during the period 2016–2020, a high-level event that:

(a) Further strengthens high-level engagement on the implementation of policy options and actions arising from the processes referred to in paragraph 109 above and paragraph 124 below, drawing on the summary for policymakers referred to in paragraph 111(c) above;

(b) Provides an opportunity for announcing new or strengthened voluntary efforts, initiatives and coalitions, including the implementation of policies, practices and actions arising from the processes referred to in paragraph 109 above and paragraph 124 below and presented in the summary for policymakers referred to in paragraph 111(c) above;

(c) Takes stock of related progress and recognizes new or strengthened voluntary efforts, initiatives and coalitions;

(d) Provides meaningful and regular opportunities for the effective high-level engagement of dignitaries of Parties, international organizations, international cooperative initiatives and non-Party stakeholders;

121. *Decides* that two high-level champions shall be appointed to act on behalf of the President of the Conference of the Parties to facilitate through strengthened high-level engagement in the period 2016–2020 the successful execution of existing efforts and the scaling-up and introduction of new or strengthened voluntary efforts, initiatives and coalitions, including by:

---

<sup>3</sup> <<http://climateaction.unfccc.int/>>.

(a) Working with the Executive Secretary and the current and incoming Presidents of the Conference of the Parties to coordinate the annual high-level event referred to in paragraph 120 above;

(b) Engaging with interested Parties and non-Party stakeholders, including to further the voluntary initiatives of the Lima-Paris Action Agenda;

(c) Providing guidance to the secretariat on the organization of technical expert meetings referred to in paragraph 111(a) above and paragraph 129(a) below;

122. *Also decides* that the high-level champions referred to in paragraph 121 above should normally serve for a term of two years, with their terms overlapping for a full year to ensure continuity, such that:

(a) The President of the twenty-first session of the Conference of the Parties should appoint one champion, who should serve for one year from the date of the appointment until the last day of the twenty-second session of the Conference of the Parties;

(b) The President of the twenty-second session of the Conference of the Parties should appoint one champion who should serve for two years from the date of the appointment until the last day of the twenty-third session of the Conference of the Parties (November 2017);

(c) Thereafter, each subsequent President of the Conference of the Parties should appoint one champion who should serve for two years and succeed the previously appointed champion whose term has ended;

123. *Invites* all interested Parties and relevant organizations to provide support for the work of the champions referred to in paragraph 121 above;

124. *Decides* to launch, in the period 2016–2020, a technical examination process on adaptation;

125. *Also decides* that the process referred to in paragraph 124 above will endeavour to identify concrete opportunities for strengthening resilience, reducing vulnerabilities and increasing the understanding and implementation of adaptation actions;

126. *Further decides* that the process referred to in paragraph 124 above should be organized jointly by the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice, and conducted by the Adaptation Committee;

127. *Decides* that the process referred to in paragraph 124 above will be pursued by:

(a) Facilitating the sharing of good practices, experiences and lessons learned;

(b) Identifying actions that could significantly enhance the implementation of adaptation actions, including actions that could enhance economic diversification and have mitigation co-benefits;

(c) Promoting cooperative action on adaptation;

(d) Identifying opportunities to strengthen enabling environments and enhance the provision of support for adaptation in the context of specific policies, practices and actions;

128. *Also decides* that the technical examination process on adaptation referred to in paragraph 124 above will take into account the process, modalities, outputs, outcomes and lessons learned from the technical examination process on mitigation referred to in paragraph 109 above;

129. *Requests* the secretariat to support the process referred to in paragraph 124 above by:

(a) Organizing regular technical expert meetings focusing on specific policies, strategies and actions;

(b) Preparing annually, on the basis of the meetings referred to in paragraph 129(a) above and in time to serve as an input to the summary for policymakers referred to in paragraph 111(c) above, a technical paper on opportunities to enhance adaptation action, as well as options to support their implementation, information on which should be made available in a user-friendly online format;

130. *Decides* that in conducting the process referred to in paragraph 124 above, the Adaptation Committee will engage with and explore ways to take into account, synergize with and build on the existing arrangements for adaptation-related work programmes, bodies and institutions under the Convention so as to ensure coherence and maximum value;

131. *Also decides* to conduct, in conjunction with the assessment referred to in paragraph 113 above, an assessment of the process referred to in paragraph 124 above, so as to improve its effectiveness;

132. *Invites* Parties and observer organizations to submit information on the opportunities referred to in paragraph 125 above by 3 February 2016;

## V. Non-Party stakeholders

133. *Welcomes* the efforts of all non-Party stakeholders to address and respond to climate change, including those of civil society, the private sector, financial institutions, cities and other subnational authorities;

134. *Invites* the non-Party stakeholders referred to in paragraph 133 above to scale up their efforts and support actions to reduce emissions and/or to build resilience and decrease vulnerability to the adverse effects of climate change and demonstrate these efforts via the Non-State Actor Zone for Climate Action platform<sup>4</sup> referred to in paragraph 117 above;

135. *Recognizes* the need to strengthen knowledge, technologies, practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change, and *establishes* a platform for the exchange of experiences and sharing of best practices on mitigation and adaptation in a holistic and integrated manner;

136. *Also recognizes* the important role of providing incentives for emission reduction activities, including tools such as domestic policies and carbon pricing;

## VI. Administrative and budgetary matters

137. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and *requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources;

138. *Emphasizes* the urgency of making additional resources available for the implementation of the relevant actions, including actions referred to in this decision, and the implementation of the work programme referred to in paragraph 9 above;

139. *Urges* Parties to make voluntary contributions for the timely implementation of this decision.

---

<sup>4</sup> <<http://climateaction.unfccc.int/>>.

# Annex

## Paris Agreement

*The Parties to this Agreement,*

*Being* Parties to the United Nations Framework Convention on Climate Change, hereinafter referred to as “the Convention”,

*Pursuant* to the Durban Platform for Enhanced Action established by decision 1/CP.17 of the Conference of the Parties to the Convention at its seventeenth session,

*In pursuit* of the objective of the Convention, and being guided by its principles, including the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances,

*Recognizing* the need for an effective and progressive response to the urgent threat of climate change on the basis of the best available scientific knowledge,

*Also recognizing* the specific needs and special circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, as provided for in the Convention,

*Taking full account* of the specific needs and special situations of the least developed countries with regard to funding and transfer of technology,

*Recognizing* that Parties may be affected not only by climate change, but also by the impacts of the measures taken in response to it,

*Emphasizing* the intrinsic relationship that climate change actions, responses and impacts have with equitable access to sustainable development and eradication of poverty,

*Recognizing* the fundamental priority of safeguarding food security and ending hunger, and the particular vulnerabilities of food production systems to the adverse impacts of climate change,

*Taking into account* the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities,

*Acknowledging* that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples,

local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

*Recognizing* the importance of the conservation and enhancement, as appropriate, of sinks and reservoirs of the greenhouse gases referred to in the Convention,

*Noting* the importance of ensuring the integrity of all ecosystems, including oceans, and the protection of biodiversity, recognized by some cultures as Mother Earth, and noting the importance for some of the concept of “climate justice”, when taking action to address climate change,

*Affirming* the importance of education, training, public awareness, public participation, public access to information and cooperation at all levels on the matters addressed in this Agreement,

*Recognizing* the importance of the engagements of all levels of government and various actors, in accordance with respective national legislations of Parties, in addressing climate change,

*Also recognizing* that sustainable lifestyles and sustainable patterns of consumption and production, with developed country Parties taking the lead, play an important role in addressing climate change,

Have agreed as follows:

## **Article 1**

For the purpose of this Agreement, the definitions contained in Article 1 of the Convention shall apply. In addition:

- 1.** “Convention” means the United Nations Framework Convention on Climate Change, adopted in New York on 9 May 1992;
- 2.** “Conference of the Parties” means the Conference of the Parties to the Convention;
- 3.** “Party” means a Party to this Agreement.

## **Article 2**

1. This Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:



(a) Holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;

(b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and

(c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

2. This Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

### **Article 3**

As nationally determined contributions to the global response to climate change, all Parties are to undertake and communicate ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of this Agreement as set out in Article 2. The efforts of all Parties will represent a progression over time, while recognizing the need to support developing country Parties for the effective implementation of this Agreement.

### **Article 4**

7. In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.

8. Each Party shall prepare, communicate and maintain successive nationally determined contributions that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.

9. Each Party's successive nationally determined contribution will represent a progression beyond the Party's then current nationally determined contribution and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

10. Developed country Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets. Developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances.

11. Support shall be provided to developing country Parties for the implementation of this Article, in accordance with Articles 9, 10 and 11, recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions.

12. The least developed countries and small island developing States may prepare and communicate strategies, plans and actions for low greenhouse gas emissions development reflecting their special circumstances.

13. Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans can contribute to mitigation outcomes under this Article.

14. In communicating their nationally determined contributions, all Parties shall provide the information necessary for clarity, transparency and understanding in accordance with decision 1/CP.21 and any relevant decisions of the Conference of the Parties serving as the meeting of the Parties to this Agreement.

15. Each Party shall communicate a nationally determined contribution every five years in accordance with decision 1/CP.21 and any relevant decisions of the Conference of the Parties serving as the meeting of the Parties to this Agreement and be informed by the outcomes of the global stocktake referred to in Article 14.

16. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall consider common time frames for nationally determined contributions at its first session.

17. A Party may at any time adjust its existing nationally determined contribution with a view to enhancing its level of ambition, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

18. Nationally determined contributions communicated by Parties shall be recorded in a public registry maintained by the secretariat.

19. Parties shall account for their nationally determined contributions. In accounting for anthropogenic emissions and removals corresponding to their nationally determined contributions, Parties shall promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting, in accordance with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

20. In the context of their nationally determined contributions, when recognizing and implementing mitigation actions with respect to anthropogenic emissions and removals, Parties should take into account, as appropriate, existing methods and guidance under the Convention, in the light of the provisions of paragraph 13 of this Article.

21. Parties shall take into consideration in the implementation of this Agreement the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties.

22. Parties, including regional economic integration organizations and their member States, that have reached an agreement to act jointly under paragraph 2 of this Article shall notify the secretariat of the terms of that agreement, including the emission level allocated to each Party within the relevant time period, when they communicate their nationally determined contributions. The secretariat shall in turn inform the Parties and signatories to the Convention of the terms of that agreement.

23. Each party to such an agreement shall be responsible for its emission level as set out in the agreement referred to in paragraph 16 of this Article in accordance with paragraphs 13 and 14 of this Article and Articles 13 and 15.

24. If Parties acting jointly do so in the framework of, and together with, a regional economic integration organization which is itself a Party to this Agreement, each member State of that regional economic integration organization individually, and together with the regional economic integration organization, shall be responsible for its emission level as set out in the agreement communicated under paragraph 16 of this Article in accordance with paragraphs 13 and 14 of this Article and Articles 13 and 15.

25. All Parties should strive to formulate and communicate long-term low greenhouse gas emission development strategies, mindful of Article 2 taking into account their common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

### **Article 5**

1. Parties should take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases as referred to in Article 4, *paragraph 1(d)*, of the Convention, including forests.

2. Parties are encouraged to take action to implement and support, including through results-based payments, the existing framework as set out in related guidance and decisions already agreed under the Convention for: policy approaches and positive incentives for activities relating to reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries; and alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, while reaffirming the importance of incentivizing, as appropriate, non-carbon benefits associated with such approaches.

### **Article 6**

1. Parties recognize that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.

2. Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

3. The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.

4. A mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to this Agreement for use by Parties on a voluntary basis. It shall be supervised by a body designated by the Conference of the Parties serving as the meeting of the Parties to this Agreement, and shall aim:

(a) To promote the mitigation of greenhouse gas emissions while fostering sustainable development;

(b) To incentivize and facilitate participation in the mitigation of greenhouse gas emissions by public and private entities authorized by a Party;

(c) To contribute to the reduction of emission levels in the host Party, which will benefit from mitigation activities resulting in emission reductions that can also be used by another Party to fulfil its nationally determined contribution; and

(d) To deliver an overall mitigation in global emissions.

5. Emission reductions resulting from the mechanism referred to in paragraph 4 of this Article shall not be used to demonstrate achievement of the host Party's nationally determined contribution if used by another Party to demonstrate achievement of its nationally determined contribution.

6. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall ensure that a share of the proceeds from activities under the mechanism referred to in paragraph 4 of this Article is used to cover 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.

7. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall adopt rules, modalities and procedures for the mechanism referred to in paragraph 4 of this Article at its first session.

8. Parties recognize the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building, as appropriate. These approaches shall aim to:

- (a) Promote mitigation and adaptation ambition;
- (b) Enhance public and private sector participation in the implementation of nationally determined contributions; and
- (c) Enable opportunities for coordination across instruments and relevant institutional arrangements.

9. A framework for non-market approaches to sustainable development is hereby defined to promote the non-market approaches referred to in paragraph 8 of this Article.

### **Article 7**

1. Parties hereby establish the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2.

2. Parties recognize that adaptation is a global challenge faced by all with local, subnational, national, regional and international dimensions, and that it is a key component of and makes a contribution to the long-term global response to climate change to protect people, livelihoods and ecosystems, taking into account the urgent and immediate needs of those developing country Parties that are particularly vulnerable to the adverse effects of climate change.

3. The adaptation efforts of developing country Parties shall be recognized, in accordance with the modalities to be adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement at its first session.

4. Parties recognize that the current need for adaptation is significant and that greater levels of mitigation can reduce the need for additional adaptation efforts, and that greater adaptation needs can involve greater adaptation costs.

5. Parties acknowledge that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge, knowledge of indigenous peoples and local knowledge systems, with a view to integrating adaptation into relevant socioeconomic and environmental policies and actions, where appropriate.

6. Parties recognize the importance of support for and international cooperation on adaptation efforts and the importance of taking into account the needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change.

7. Parties should strengthen their cooperation on enhancing action on adaptation, taking into account the Cancun Adaptation Framework, including with regard to:

(a) Sharing information, good practices, experiences and lessons learned, including, as appropriate, as these relate to science, planning, policies and implementation in relation to adaptation actions;

(b) Strengthening institutional arrangements, including those under the Convention that serve this Agreement, to support the synthesis of relevant information and knowledge, and the provision of technical support and guidance to Parties;

(c) Strengthening scientific knowledge on climate, including research, systematic observation of the climate system and early warning systems, in a manner that informs climate services and supports decision-making;

(d) Assisting developing country Parties in identifying effective adaptation practices, adaptation needs, priorities, support provided and received for adaptation actions and efforts, and challenges and gaps, in a manner consistent with encouraging good practices; and

(e) Improving the effectiveness and durability of adaptation actions.

8. United Nations specialized organizations and agencies are encouraged to support the efforts of Parties to implement the actions referred to in paragraph 7 of this Article, taking into account the provisions of paragraph 5 of this Article.

9. Each Party shall, as appropriate, engage in adaptation planning processes and the implementation of actions, including the development or enhancement of relevant plans, policies and/or contributions, which may include:

(a) The implementation of adaptation actions, undertakings and/or efforts;

(b) The process to formulate and implement national adaptation plans;

(c) The assessment of climate change impacts and vulnerability, with a view to formulating nationally determined prioritized actions, taking into account vulnerable people, places and ecosystems;

(d) Monitoring and evaluating and learning from adaptation plans, policies, programmes and actions; and

(e) Building the resilience of socioeconomic and ecological systems, including through economic diversification and sustainable management of natural resources.

10. Each Party should, as appropriate, submit and update periodically an adaptation communication, which may include its priorities, implementation and support needs, plans and actions, without creating any additional burden for developing country Parties.

11. The adaptation communication referred to in paragraph 10 of this Article shall be, as appropriate, submitted and updated periodically, as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution as referred to in Article 4, paragraph 2, and/or a national communication.

12. The adaptation communications referred to in paragraph 10 of this Article shall be recorded in a public registry maintained by the secretariat.

13. Continuous and enhanced international support shall be provided to developing country Parties for the implementation of paragraphs 7, 9, 10 and 11 of this Article, in accordance with the provisions of Articles 9, 10 and 11.

14. The global stocktake referred to in Article 14 shall, inter alia:

(a) Recognize adaptation efforts of developing country Parties;

(b) Enhance the implementation of adaptation action taking into account the adaptation communication referred to in paragraph 10 of this Article;

(c) Review the adequacy and effectiveness of adaptation and support provided for adaptation; and

(d) Review the overall progress made in achieving the global goal on adaptation referred to in paragraph 1 of this Article.



## **Article 8**

1. Parties recognize the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events, and the role of sustainable development in reducing the risk of loss and damage.

2. The Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts shall be subject to the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to this Agreement and may be enhanced and strengthened, as determined by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

3. Parties should enhance understanding, action and support, including through the Warsaw International Mechanism, as appropriate, on a cooperative and facilitative basis with respect to loss and damage associated with the adverse effects of climate change.

4. Accordingly, areas of cooperation and facilitation to enhance understanding, action and support may include:

- (a) Early warning systems;
- (b) Emergency preparedness;
- (c) Slow onset events;
- (d) Events that may involve irreversible and permanent loss and damage;
- (e) Comprehensive risk assessment and management;
- (f) Risk insurance facilities, climate risk pooling and other insurance solutions;
- (g) Non-economic losses; and
- (h) Resilience of communities, livelihoods and ecosystems.

5. The Warsaw International Mechanism shall collaborate with existing bodies and expert groups under the Agreement, as well as relevant organizations and expert bodies outside the Agreement.

## **Article 9**

1. Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and

adaptation in continuation of their existing obligations under the Convention.

2. Other Parties are encouraged to provide or continue to provide such support voluntarily.

3. As part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.

4. The provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation.

5. Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.

6. The global stocktake referred to in Article 14 shall take into account the relevant information provided by developed country Parties and/or Agreement bodies on efforts related to climate finance.

7. Developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions biennially in accordance with the modalities, procedures and guidelines to be adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement, at its first session, as stipulated in Article 13, paragraph 13. Other Parties are encouraged to do so.

8. The Financial Mechanism of the Convention, including its operating entities, shall serve as the financial mechanism of this Agreement.

9. The institutions serving this Agreement, including the operating entities of the Financial Mechanism of the Convention, shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States, in the context of their national climate strategies and plans.

### **Article 10**

1. Parties share a long-term vision on the importance of fully realizing technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions.

2. Parties, noting the importance of technology for the implementation of mitigation and adaptation actions under this Agreement and recognizing existing technology deployment and dissemination efforts, shall strengthen cooperative action on technology development and transfer.

3. The Technology Mechanism established under the Convention shall serve this Agreement.

4. A technology framework is hereby established to provide overarching guidance to the work of the Technology Mechanism in promoting and facilitating enhanced action on technology development and transfer in order to support the implementation of this Agreement, in pursuit of the long-term vision referred to in paragraph 1 of this Article.

5. Accelerating, encouraging and enabling innovation is critical for an effective, long-term global response to climate change and promoting economic growth and sustainable development. Such effort shall be, as appropriate, supported, including by the Technology Mechanism and, through financial means, by the Financial Mechanism of the Convention, for collaborative approaches to research and development, and facilitating access to technology, in particular for early stages of the technology cycle, to developing country Parties.

6. Support, including financial support, shall be provided to developing country Parties for the implementation of this Article, including for strengthening cooperative action on technology development and transfer at different stages of the technology cycle, with a view to achieving a balance between support for mitigation and adaptation. The global stocktake referred to in Article 14 shall take into account available information on efforts related to support

on technology development and transfer for developing country Parties.

## **Article 11**

1. Capacity-building under this Agreement should enhance the capacity and ability of developing country Parties, in particular countries with the least capacity, such as the least developed countries, and those that are particularly vulnerable to the adverse effects of climate change, such as small island developing States, to take effective climate change action, including, inter alia, to implement adaptation and mitigation actions, and should facilitate technology development, dissemination and deployment, access to climate finance, relevant aspects of education, training and public awareness, and the transparent, timely and accurate communication of information.

2. Capacity-building should be country-driven, based on and responsive to national needs, and foster country ownership of Parties, in particular, for developing country Parties, including at the national, subnational and local levels. Capacity-building should be guided by lessons learned, including those from capacity-building activities under the Convention, and should be an effective, iterative process that is participatory, cross-cutting and gender-responsive.

3. All Parties should cooperate to enhance the capacity of developing country Parties to implement this Agreement. Developed country Parties should enhance support for capacity-building actions in developing country Parties.

4. All Parties enhancing the capacity of developing country Parties to implement this Agreement, including through regional, bilateral and multilateral approaches, shall regularly communicate on these actions or measures on capacity-building. Developing country Parties should regularly communicate progress made on implementing capacity-building plans, policies, actions or measures to implement this Agreement.

5. Capacity-building activities shall be enhanced through appropriate institutional arrangements to support the implementation of this Agreement, including the appropriate institutional arrangements established under the Convention that serve this Agreement. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall, at its first session, consider and adopt a decision on the initial institutional arrangements for capacity-building.

## **Article 12**

Parties shall cooperate in taking measures, as appropriate, to enhance climate change education, training, public awareness, public participation and public access to information, recognizing the importance of these steps with respect to enhancing actions under this Agreement.

## **Article 13**

1. In order to build mutual trust and confidence and to promote effective implementation, an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience is hereby established.

2. The transparency framework shall provide flexibility in the implementation of the provisions of this Article to those developing country Parties that need it in the light of their capacities. The modalities, procedures and guidelines referred to in paragraph 13 of this Article shall reflect such flexibility.

3. The transparency framework shall build on and enhance the transparency arrangements under the Convention, recognizing the special circumstances of the least developed countries and small island developing States, and be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty, and avoid placing undue burden on Parties.

4. The transparency arrangements under the Convention, including national communications, biennial reports and biennial update reports, international assessment and review and international consultation and analysis, shall form part of the experience drawn upon for the development of the modalities, procedures and guidelines under paragraph 13 of this Article.

5. The purpose of the framework for transparency of action is to provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, including clarity and tracking of progress towards achieving Parties' individual nationally determined contributions under Article 4, and Parties' adaptation actions under Article 7, including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14.

6. The purpose of the framework for transparency of support is to provide clarity on support provided and received by relevant

individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake under Article 14.

7. Each Party shall regularly provide the following information:

(a) A national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases, prepared using good practice methodologies accepted by the Intergovernmental Panel on Climate Change and agreed upon by the Conference of the Parties serving as the meeting of the Parties to this Agreement; and

(b) Information necessary to track progress made in implementing and achieving its nationally determined contribution under Article 4.

8. Each Party should also provide information related to climate change impacts and adaptation under Article 7, as appropriate.

9. Developed country Parties shall, and other Parties that provide support should, provide information on financial, technology transfer and capacity-building support provided to developing country Parties under Articles 9, 10 and 11.

10. Developing country Parties should provide information on financial, technology transfer and capacity-building support needed and received under Articles 9, 10 and 11.

11. Information submitted by each Party under paragraphs 7 and 9 of this Article shall undergo a technical expert review, in accordance with decision 1/CP.21. For those developing country Parties that need it in the light of their capacities, the review process shall include assistance in identifying capacity-building needs. In addition, each Party shall participate in a facilitative, multilateral consideration of progress with respect to efforts under Article 9, and its respective implementation and achievement of its nationally determined contribution.

12. The technical expert review under this paragraph shall consist of a consideration of the Party's support provided, as relevant, and its implementation and achievement of its nationally determined contribution. The review shall also identify areas of improvement for the Party, and include a review of the consistency of the information with the modalities, procedures and guidelines referred to in paragraph 13 of this Article, taking into account the flexibility accorded to the Party under paragraph 2 of this Article. The review

shall pay particular attention to the respective national capabilities and circumstances of developing country Parties.

13. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall, at its first session, building on experience from the arrangements related to transparency under the Convention, and elaborating on the provisions in this Article, adopt common modalities, procedures and guidelines, as appropriate, for the transparency of action and support.

14. Support shall be provided to developing countries for the implementation of this Article.

15. Support shall also be provided for the building of transparency-related capacity of developing country Parties on a continuous basis.

#### **Article 14**

1. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall periodically take stock of the implementation of this Agreement to assess the collective progress towards achieving the purpose of this Agreement and its long-term goals (referred to as the “global stocktake”). It shall do so in a comprehensive and facilitative manner, considering mitigation, adaptation and the means of implementation and support, and in the light of equity and the best available science.

2. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall undertake its first global stocktake in 2023 and every five years thereafter unless otherwise decided by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

3. The outcome of the global stocktake shall inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of this Agreement, as well as in enhancing international cooperation for climate action.

#### **Article 15**

1. A mechanism to facilitate implementation of and promote compliance with the provisions of this Agreement is hereby established.

2. The mechanism referred to in paragraph 1 of this Article shall consist of a committee that shall be expert-based and facilitative in

nature and function in a manner that is transparent, non-adversarial and non-punitive. The committee shall pay particular attention to the respective national capabilities and circumstances of Parties.

3. The committee shall operate under the modalities and procedures adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement at its first session and report annually to the Conference of the Parties serving as the meeting of the Parties to this Agreement.

## **Article 16**

1. The Conference of the Parties, the supreme body of the Convention, shall serve as the meeting of the Parties to this Agreement.

2. Parties to the Convention that are not Parties to this Agreement may participate as observers in the proceedings of any session of the Conference of the Parties serving as the meeting of the Parties to this Agreement. When the Conference of the Parties serves as the meeting of the Parties to this Agreement, decisions under this Agreement shall be taken only by those that are Parties to this Agreement.

3. When the Conference of the Parties serves as the meeting of the Parties to this Agreement, any member of the Bureau of the Conference of the Parties representing a Party to the Convention but, at that time, not a Party to this Agreement, shall be replaced by an additional member to be elected by and from amongst the Parties to this Agreement.

4. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall keep under regular review the implementation of this Agreement and shall make, within its mandate, the decisions necessary to promote its effective implementation. It shall perform the functions assigned to it by this Agreement and shall:

(a) Establish such subsidiary bodies as deemed necessary for the implementation of this Agreement; and

(b) Exercise such other functions as may be required for the implementation of this Agreement.

5. The rules of procedure of the Conference of the Parties and the financial procedures applied under the Convention shall be applied *mutatis mutandis* under this Agreement, except as may be



otherwise decided by consensus by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

6. The first session of the Conference of the Parties serving as the meeting of the Parties to this Agreement shall be convened by the secretariat in conjunction with the first session of the Conference of the Parties that is scheduled after the date of entry into force of this Agreement. Subsequent ordinary sessions of the Conference of the Parties serving as the meeting of the Parties to this Agreement shall be held in conjunction with ordinary sessions of the Conference of the Parties, unless otherwise decided by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

7. Extraordinary sessions of the Conference of the Parties serving as the meeting of the Parties to this Agreement shall be held at such other times as may be deemed necessary by the Conference of the Parties serving as the meeting of the Parties to this Agreement or at the written request of any Party, provided that, within six months of the request being communicated to the Parties by the secretariat, it is supported by at least one third of the Parties.

8. The United Nations and its specialized agencies and the International Atomic Energy Agency, as well as any State member thereof or observers thereto not party to the Convention, may be represented at sessions of the Conference of the Parties serving as the meeting of the Parties to this Agreement as observers. Any body or agency, whether national or international, governmental or non-governmental, which is qualified in matters covered by this Agreement and which has informed the secretariat of its wish to be represented at a session of the Conference of the Parties serving as the meeting of the Parties to this Agreement as an observer, may be so admitted unless at least one third of the Parties present object. The admission and participation of observers shall be subject to the rules of procedure referred to in paragraph 5 of this Article.

## **Article 17**

1. The secretariat established by Article 8 of the Convention shall serve as the secretariat of this Agreement.

2. Article 8, paragraph 2, of the Convention on the functions of the secretariat, and Article 8, paragraph 3, of the Convention, on the arrangements made for the functioning of the secretariat, shall apply *mutatis mutandis* to this Agreement. The secretariat shall, in addition, exercise the functions assigned to it under this Agreement and by the

Conference of the Parties serving as the meeting of the Parties to this Agreement.

### **Article 18**

1. The Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation established by Articles 9 and 10 of the Convention shall serve, respectively, as the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of this Agreement. The provisions of the Convention relating to the functioning of these two bodies shall apply *mutatis mutandis* to this Agreement. Sessions of the meetings of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of this Agreement shall be held in conjunction with the meetings of, respectively, the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation of the Convention.

2. Parties to the Convention that are not Parties to this Agreement may participate as observers in the proceedings of any session of the subsidiary bodies. When the subsidiary bodies serve as the subsidiary bodies of this Agreement, decisions under this Agreement shall be taken only by those that are Parties to this Agreement.

3. When the subsidiary bodies established by Articles 9 and 10 of the Convention exercise their functions with regard to matters concerning this Agreement, any member of the bureaux of those subsidiary bodies representing a Party to the Convention but, at that time, not a Party to this Agreement, shall be replaced by an additional member to be elected by and from amongst the Parties to this Agreement.

### **Article 19**

1. Subsidiary bodies or other institutional arrangements established by or under the Convention, other than those referred to in this Agreement, shall serve this Agreement upon a decision of the Conference of the Parties serving as the meeting of the Parties to this Agreement. The Conference of the Parties serving as the meeting of the Parties to this Agreement shall specify the functions to be exercised by such subsidiary bodies or arrangements.

2. The Conference of the Parties serving as the meeting of the Parties to this Agreement may provide further guidance to such subsidiary bodies and institutional arrangements.

## **Article 20**

1. This Agreement shall be open for signature and subject to ratification, acceptance or approval by States and regional economic integration organizations that are Parties to the Convention. It shall be open for signature at the United Nations Headquarters in New York from 22 April 2016 to 21 April 2017. Thereafter, this Agreement shall be open for accession from the day following the date on which it is closed for signature. Instruments of ratification, acceptance, approval or accession shall be deposited with the Depositary.

2. Any regional economic integration organization that becomes a Party to this Agreement without any of its member States being a Party shall be bound by all the obligations under this Agreement. In the case of regional economic integration organizations with one or more member States that are Parties to this Agreement, the organization and its member States shall decide on their respective responsibilities for the performance of their obligations under this Agreement. In such cases, the organization and the member States shall not be entitled to exercise rights under this Agreement concurrently.

3. In their instruments of ratification, acceptance, approval or accession, regional economic integration organizations shall declare the extent of their competence with respect to the matters governed by this Agreement. These organizations shall also inform the Depositary, who shall in turn inform the Parties, of any substantial modification in the extent of their competence.

## **Article 21**

1. This Agreement shall enter into force on the thirtieth day after the date on which at least 55 Parties to the Convention accounting in total for at least an estimated 55 per cent of the total global greenhouse gas emissions have deposited their instruments of ratification, acceptance, approval or accession.

2. Solely for the limited purpose of paragraph 1 of this Article, “total global greenhouse gas emissions” means the most up-to-date amount communicated on or before the date of adoption of this Agreement by the Parties to the Convention.

3. For each State or regional economic integration organization that ratifies, accepts or approves this Agreement or accedes thereto after the conditions set out in paragraph 1 of this Article for entry into force have been fulfilled, this Agreement shall enter into force

on the thirtieth day after the date of deposit by such State or regional economic integration organization of its instrument of ratification, acceptance, approval or accession.

4. For the purposes of paragraph 1 of this Article, any instrument deposited by a regional economic integration organization shall not be counted as additional to those deposited by its member States.

#### **Article 22**

The provisions of Article 15 of the Convention on the adoption of amendments to the Convention shall apply *mutatis mutandis* to this Agreement.

#### **Article 23**

1. The provisions of Article 16 of the Convention on the adoption and amendment of annexes to the Convention shall apply *mutatis mutandis* to this Agreement.

2. Annexes to this Agreement shall form an integral part thereof and, unless otherwise expressly provided for, a reference to this Agreement constitutes at the same time a reference to any annexes thereto. Such annexes shall be restricted to lists, forms and any other material of a descriptive nature that is of a scientific, technical, procedural or administrative character.

#### **Article 24**

The provisions of Article 14 of the Convention on settlement of disputes shall apply *mutatis mutandis* to this Agreement.

#### **Article 25**

1. Each Party shall have one vote, except as provided for in paragraph 2 of this Article.

2. Regional economic integration organizations, in matters within their competence, shall exercise their right to vote with a number of votes equal to the number of their member States that are Parties to this Agreement. Such an organization shall not exercise its right to vote if any of its member States exercises its right, and vice versa.

#### **Article 26**

The Secretary-General of the United Nations shall be the Depositary of this Agreement.

### **Article 27**

No reservations may be made to this Agreement.

### **Article 28**

1. At any time after three years from the date on which this Agreement has entered into force for a Party, that Party may withdraw from this Agreement by giving written notification to the Depository.
2. Any such withdrawal shall take effect upon expiry of one year from the date of receipt by the Depository of the notification of withdrawal, or on such later date as may be specified in the notification of withdrawal.
3. Any Party that withdraws from the Convention shall be considered as also having withdrawn from this Agreement.

### **Article 29**

The original of this Agreement, of which the Arabic, Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations.

DONE at Paris this twelfth day of December two thousand and fifteen.

IN WITNESS WHEREOF, the undersigned, being duly authorized to that effect, have signed this Agreement.

---

## Long-term climate finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decision 1/CP.16, paragraphs 2, 4 and 97–101, as well as decisions 1/CP.17, 2/CP.17, paragraphs 126–132, 4/CP.18, 3/CP.19 and 5/CP.20,

1. *Welcomes with appreciation* the pledges and announcements and progress made towards reaching the goal of jointly mobilizing USD 100 billion annually by 2020 by developed country Parties, in accordance with decision 1/CP.16, including financial contributions made to the Green Climate Fund, the Least Developed Countries Fund and the Adaptation Fund, providing further clarity to and predictability of public climate finance flows from 2015 to 2020;
2. *Urges* developed country Parties to continue efforts to channel a substantial share of public climate funds to adaptation activities and to strive to achieve a greater balance between finance for mitigation and adaptation, recognizing the importance of adaptation finance;
3. *Takes note with appreciation* of the summary report on the in-session workshop on long-term climate finance held in 2015;
4. *Decides* that the second biennial high-level ministerial dialogue on climate finance, to be convened in accordance with decision 3/CP.19, will focus on the issues of adaptation finance, needs for support to developing country Parties, and cooperation on enhanced enabling environments and support for readiness activities, and that it will be informed by the report of the in-session workshop on long-term climate finance in 2016 and the second biennial assessment and overview of climate finance flows;
5. *Requests* the Presidency of the Conference of the Parties, with the support of the secretariat, to prepare a summary of the second biennial high-level ministerial dialogue on climate finance for consideration by the Conference of the Parties at its twenty-third session (November 2017).

*10th plenary meeting  
10 December 2015*

## Report of the Standing Committee on Finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decisions 1/CP.16, paragraph 112, and 2/CP.17, paragraphs 120 and 121, as well as decisions 5/CP.18, 7/CP.19 and 6/CP.20,

1. *Welcomes with appreciation* the report of the Standing Committee on Finance to the Conference of the Parties at its twenty-first session, taking note of the recommendations contained therein;<sup>1</sup>
2. *Requests* the Standing Committee on Finance to continue to strengthen its engagement with all relevant stakeholders and bodies under the Convention;
3. *Endorses* the workplan of the Standing Committee on Finance for 2016–2017;<sup>2</sup>
4. *Requests* the Standing Committee on Finance, in implementing its workplan on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows, to continue to engage with relevant bodies under the Convention, multilateral and bilateral agencies, and international institutions;
5. *Welcomes* the third forum of the Standing Committee on Finance, on enhancing the coherence and coordination of forest financing, held on 8 and 9 September 2015 in Durban, South Africa;
6. *Notes* the recommendations of the Standing Committee on Finance from its third forum;<sup>3</sup>
7. *Expresses* its gratitude to the Government of South Africa and the Food and Agriculture Organization of the United Nations for their support in ensuring the success of the third forum of the Standing Committee on Finance;

---

<sup>1</sup> FCCC/CP/2015/8.

<sup>2</sup> As contained in document FCCC/CP/2015/8, annex X.

<sup>3</sup> As contained in document FCCC/CP/2015/8, annex II.

8. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its twenty-second session (November 2016) on the progress made in the implementation of its workplan;

9. *Decides* to initiate the review of the functions of the Standing Committee on Finance referred to in decision 6/CP.20, paragraph 23, at the twenty-second session of the Conference of the Parties;

10. *Requests* the Subsidiary Body for Implementation, at its forty-fifth session (November 2016), to prepare draft terms of reference for the review referred to in paragraph 9 above, on the basis of the submissions referred to in paragraph 11 below, for consideration by the Conference of the Parties at its twenty-second session;

11. *Also requests* the members of the Standing Committee on Finance and *invites* Parties and observer organizations to submit their views on the terms of reference for the review of the functions of the Standing Committee on Finance by 21 September 2016,<sup>4</sup> for compilation by the secretariat into a miscellaneous document;

12. *Further requests* the Standing Committee on Finance to consider the guidance provided to it in other relevant decisions of the Conference of the Parties.

*10<sup>th</sup> plenary meeting  
10 December 2015*

---

---

<sup>4</sup> Parties should submit their views via the submissions portal at <<http://www.unfccc.int/5900>>. Observer organizations should e-mail their submissions to <[secretariat@unfccc.int](mailto:secretariat@unfccc.int)>.



## **Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* decision 7/CP.20,

*Noting* the recommendations of the Standing Committee on Finance contained in its report to the Conference of the Parties at its twenty-first session with regard to the provision of draft guidance to the Green Climate Fund,<sup>1</sup>

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties at its twenty-first session<sup>2</sup> and the information contained therein on the progress made by the Green Climate Fund towards its full operationalization;

2. *Notes with appreciation* the attainment of the effectiveness of the Green Climate Fund by achieving the 50 per cent threshold required for the Green Climate Fund to allocate its resources to projects and programmes;

3. *Also notes with appreciation* that the Board of the Green Climate Fund reached its aim of taking its first funding decisions by its third meeting of 2015, committing USD 168 million to eight public and private projects that will promote, in the context of sustainable development, the paradigm shift towards low-emission and climate-resilient development pathways, thereby making the Green Climate Fund fully operational;

4. *Welcomes with appreciation* pledges made to the Green Climate Fund since the twentieth session of the Conference of Parties;<sup>3</sup>

5. *Welcomes* the aspirations of the Board of the Green Climate Fund to approve proposals in 2016 to a value of USD 2.5 billion;

---

<sup>1</sup> FCCC/CP/2015/8, annex IV.

<sup>2</sup> FCCC/CP/2015/3.

<sup>3</sup> Pledges have been made by Bulgaria, Cyprus, Estonia, Hungary, Iceland, Ireland, Lithuania, Luxembourg, Malta, Norway, Portugal, Viet Nam, Brussels-Capital Region, Flemish Region, Walloon Region and the city of Paris.

6. *Also welcomes* the establishment of a project preparation facility that will be targeted to small-scale activities and direct access entities, and requests the Board of the Green Climate Fund to consider lessons learned from other relevant facilities;
7. *Further welcomes* the allocation of up to USD 900 million for three pilot programmes on: enhancing direct access for recipient countries to the Green Climate Fund; supporting micro, small and medium-sized enterprises; and mobilizing resources at scale in order to address adaptation and mitigation;<sup>4</sup>
8. *Urges* Parties that made pledges under the initial resource mobilization process of the Green Climate Fund but have not yet confirmed them to the Green Climate Fund through fully executed contribution arrangements or agreements to do so as a matter of high priority;
9. *Reiterates* the invitation for financial inputs from a variety of sources, public and private, including alternative sources, throughout the initial resource mobilization process;
10. *Requests* the Board of the Green Climate Fund to agree on the arrangements for the first formal replenishment process of the Green Climate Fund as soon as feasible;
11. *Welcomes* the decision of the Board of the Green Climate Fund to develop a strategic plan for the Green Climate Fund and to adopt it as soon as possible;
12. *Also welcomes* the decision of the Board of the Green Climate Fund to simplify the funding proposal template and concept note template in an expeditious manner;
13. *Requests* the Board of the Green Climate Fund to ensure that the revised funding proposal template and concept note template are designed to facilitate the application process;
14. *Also requests* the Board of the Green Climate Fund to adopt a simplified process for approval of proposals for certain activities, in particular for small-scale activities, as soon as possible in 2016, to reduce complexities and costs involved in project proposal development;

---

<sup>4</sup> FCCC/CP/2015/3.

15. *Welcomes* the decisions of the Board of the Green Climate Fund to approve the accreditation of 20 national, regional, international and private entities to the Green Climate Fund;<sup>5</sup>

16. *Urges* the Board of the Green Climate Fund to streamline the accreditation modalities and to seek a balance of diversity in accredited entities;

17. *Takes note* of the progress achieved to date in the implementation of the readiness and preparatory support programme of the Green Climate Fund and stresses the importance of improving the approval process and timely disbursement of readiness resources to facilitate readiness programme implementation pursuant to Green Climate Fund Board decision B.11/04;

18. *Requests* the Board of the Green Climate Fund to prioritize the development of its initial risk management framework;

19. *Also requests* the Board of the Green Climate Fund to enhance transparency and stakeholder engagement;

20. *Urges* the Board of the Green Climate Fund to operationalize the Independent Evaluation Unit, Independent Redress Mechanism and Independent Integrity Unit as a matter of urgency and to make public the procedures Parties and affected individuals should follow when seeking redress until the Independent Redress Mechanism is operationalized;

21. *Invites* the Board of the Green Climate Fund to take into account in its programmatic priorities the Cancun Adaptation Framework, in particular the principles referred to in decision 1/CP.16, paragraph 12, and the activities referred to in decision 1/CP.16, paragraph 14;

22. *Also invites* the Board of the Green Climate Fund, in line with paragraph 38 of the governing instrument of the Green Climate Fund,<sup>6</sup> to consider ways to provide support, pursuant to the modalities of the Green Climate Fund, for facilitating access to environmentally sound technologies in developing country Parties, and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action;

23. *Urges* the Board of the Green Climate Fund to operationalize results-based payments for activities referred to in decision 1/CP.16,

---

<sup>5</sup> Five national, three regional, nine international and three private entities.

<sup>6</sup> Decision 3/CP.17, annex.

paragraph 70, consistent with decision 9/CP.19, and in accordance with Green Climate Fund Board decision B.08/08;

24. *Encourages* the Board of the Green Climate Fund to consider the mobilization of private sector finance to progress the Green Climate Fund's forestry-related result areas;

25. *Requests* the Board of the Green Climate Fund to take into account decision 16/CP.21, in particular paragraph 6, referring to support for alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, as appropriate, in its funding decisions;

26. *Encourages* the Board of the Green Climate Fund to improve complementarity and coherence with other institutions, per paragraphs 33 and 34 of the governing instrument of the Green Climate Fund,<sup>7</sup> including by engaging with relevant bodies of the Convention, such as the Standing Committee on Finance;

27. *Urges* the Board of the Green Climate Fund to develop appropriate mechanisms to support the fund through appropriate expert and technical advice, including from thematic bodies, as appropriate;

28. *Requests* the Board of the Green Climate Fund to report to the Conference of Parties on the steps it has taken to implement the guidance provided in this decision and other relevant decisions of the Conference of the Parties;

29. *Invites* Parties to submit to the secretariat annually, in writing and no later than 10 weeks prior to each session of the Conference of the Parties, their views and recommendations on the elements to be taken into account in developing guidance to the Green Climate Fund.

*11<sup>th</sup> plenary meeting  
13 December 2015*

---

<sup>7</sup> Decision 3/CP.17, annex.

## **Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Recalling* decisions 12/CP.2, 3/CP.16, 5/CP.16, 7/CP.16, 11/CP.17, 9/CP.18, 6/CP.19 and 8/CP.20,

*Welcoming* the report of the Global Environment Facility to the Conference of the Parties at its twenty-first session and the information contained therein on the implementation of the sixth replenishment of the Global Environment Facility,<sup>1</sup>

*Also welcoming* the pledges and contributions made to the Least Developed Countries Fund and the Special Climate Change Fund,

*Noting* the recommendations of the Standing Committee on Finance contained in its report to the Conference of the Parties at its twenty-first session with regard to the provision of draft guidance to the Global Environment Facility,<sup>2</sup>

1. *Notes* that the Global Environment Facility has supported implementation of the remaining elements of the least developed countries work programme, including the update and implementation of national adaptation programmes of action, by providing funding to projects aimed at building capacity for the least developed countries to participate effectively in climate change processes, promoting public awareness on climate change issues, promoting the transfer of adaptation technology, and strengthening meteorological and hydrological services;

2. *Welcomes* the investments by the Global Environment Facility in sustainable forest management and activities referred to in decision 1/CP.16, paragraph 70, harnessing multiple benefits from forests and tackling deforestation and forest degradation in line with the programming directions of the sixth replenishment of the Global Environment Facility Trust Fund;<sup>3</sup>

---

<sup>1</sup> FCCC/CP/2015/4 and Add.1.

<sup>2</sup> FCCC/CP/2015/8, annex V.

<sup>3</sup> See Global Environment Facility document GEF/A.5/07/Rev.01. Available

3. *Invites* the Global Environment Facility to continue to provide finance to the activities referred to in paragraph 2 above, also taking into account decision 9/CP.19, paragraph 8, and decision 16/CP.21, as appropriate;
4. *Encourages* additional voluntary financial contributions to provide support for the national adaptation plan process through contributions to the Least Developed Countries Fund and the Special Climate Change Fund;
5. *Welcomes* the addition of eight project agencies to the network of the Global Environment Facility;
6. *Notes* that the Independent Evaluation Office of the Global Environment Facility is carrying out a review of the Least Developed Countries Fund;
7. *Encourages* the Global Environment Facility to include the conclusions of the review referred to in paragraph 6 above in its report to the Conference of the Parties at its twenty-second session (November 2016);
8. *Requests* the Global Environment Facility to carry out a technical review of the programme priorities of the Least Developed Countries Fund, taking into account the independent review referred to in paragraph 6 above, and to focus the technical review on, inter alia:
  - (a) Undertaking pilot concrete climate change activities that are particularly relevant for the least developed countries;
  - (b) Enhancing longer-term institutional capacity to design and execute the activities referred to in paragraph 8(a) above;
9. *Urges* the Global Environment Facility to work with all its agencies and recipient countries to ensure that these countries can take full advantage of the expanded network of agencies;
10. *Welcomes* the exploration of innovative non-grant instruments by the Global Environment Facility, and *encourages* the Global Environment Facility to work with its agencies, recipient countries and the private sector to submit proposals;
11. *Also welcomes* the approval of projects by the Global Environment Facility to support 46 developing country Parties in preparing their intended nationally determined contributions,<sup>4</sup> and

---

at <[http://www.thegef.org/gef/gef\\_Documents\\_Publications](http://www.thegef.org/gef/gef_Documents_Publications)>.

<sup>4</sup> As at 16 September 2015.

*encourages* the Global Environment Facility to continue providing such support;

12. *Requests* the Global Environment Facility to consider how to support developing country Parties in formulating policies, strategies, programmes and projects to implement activities that advance priorities identified in their respective intended nationally determined contributions in a manner consistent with the operational policies and guidelines of the Global Environment Facility, starting in 2016;

13. *Notes* the actions of the Global Environment Facility to establish a more coherent, system-based approach for managing and sharing information and knowledge gained from projects and programmes of the Global Environment Facility in order to improve the effectiveness of the Global Environment Facility and its agencies and enhance the capacity of recipient countries;

14. *Welcomes* the efforts to date of the Global Environment Facility to engage with the Green Climate Fund and *encourages* both entities to further articulate and build on the complementarity of their policies and programmes within the Financial Mechanism of the Convention;

15. *Invites* Parties to submit to the secretariat annually, in writing and no later than 10 weeks prior to each session of the Conference of the Parties, their views and recommendations on the elements to be taken into account in developing guidance to the Global Environment Facility;

16. *Requests* the Global Environment Facility to include, in its annual report to the Conference of the Parties, information on the steps it has taken to implement the guidance provided in this decision and other relevant decisions of the Conference of the Parties.

*10<sup>th</sup> plenary meeting  
10 December 2015*

## **Methodologies for the reporting of financial information by Parties included in Annex I to the Convention**

*The Conference of the Parties,*

*Recalling* Articles 4, 5, 7, 10 and 12 of the Convention,

*Also recalling* decisions 9/CP.2, 11/CP.4, 4/CP.5 and 1/CP.16,  
paragraph 40,

*Further recalling* decisions 2/CP.17, paragraph 19, and  
11/CP.20,

1. *Recognizes* the need to enhance common understanding on key terminology for reporting financial information under the Convention to facilitate transparency and comparability of information and data on support over time and across Parties;
2. *Welcomes* the submissions from Parties and observer organizations on methodologies for the reporting of financial information, and the technical paper<sup>1</sup> summarizing existing international methodologies, drawing on relevant information contained in, inter alia, submissions from Parties and observer organizations;
3. *Also welcomes* the joint in-session technical workshop on the methodologies for the reporting of financial information by Parties included in Annex I to the Convention organized under the auspices of the Subsidiary Body for Scientific and Technological Advice, the Subsidiary Body for Implementation and the Standing Committee on Finance, taking note of the summary of the workshop;<sup>2</sup>
4. *Further welcomes* the update of the Standing Committee on Finance on this matter, as a part of its work on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows provided during the forty-

---

<sup>1</sup> FCCC/TP/2015/2.

<sup>2</sup> Available at

<[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/summary\\_of\\_the\\_in-session\\_workshop\\_on\\_reporting\\_methodologies\\_final\\_web.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/summary_of_the_in-session_workshop_on_reporting_methodologies_final_web.pdf)>.



third session of the Subsidiary Body for Scientific and Technological Advice;

5. *Welcomes* the recommendations of the Standing Committee on Finance on the methodologies for the reporting of financial information, as referred to in decision 2/CP.17, paragraph 19, contained in its report to the Conference of the Parties at its twenty-first session;<sup>3</sup>

6. *Decides* to enhance consistency and transparency through adjustments in the reporting parameters in tables 7, 7(a) and 7(b) of the common tabular format for the “UNFCCC biennial reporting guidelines for developed country Parties” by:

(a) Creating reporting fields for the provision of information on definitions or methodologies used for reporting information in the following reporting parameters: “climate-specific” or “core/general”, “status”, “funding source”, “activity”, “financial instrument”, “type of support” and “sector”;

(b) Improving the software for tables 7, 7(a) and 7(b) of the common tabular format by extending the number of input rows in the Microsoft Excel file;

(c) Aligning the categorization in the reporting parameter “status” of support (“pledged”, “committed” and “provided”) in tables 7, 7(a) and 7(b) of the common tabular format with the categorization used in other existing international methodologies (“committed” and “disbursed”);

7. *Requests* the secretariat to revise the electronic reporting application for a common tabular format, in accordance with the provisions contained in the annex, in time for the preparation and submission of the biennial reports of Parties due in 2018;

8. *Decides* that developed country Parties shall use the revised electronic reporting application, taking into account their national circumstances, when preparing and submitting their biennial reports in 2018 in accordance with decision 2/CP.17;

9. *Requests* Parties included in Annex II to the Convention to continue to provide information on the underlying assumptions and the methodologies used in their biennial reports;

10. *Also requests* the secretariat to improve the software of the biennial report data interface to allow for search functions on the

---

<sup>3</sup> FCCC/CP/2015/8, annex VI.

UNFCCC website to collect information per key category in tables 7, 7(a) and 7(b) of the common tabular format (i.e. category “recipient country/region, financial instrument”);

11. *Further requests* the secretariat to explore ways of creating links to other reporting software and platforms to facilitate the importation and exportation of activity-level data, and to inform the Standing Committee on Finance to take this into consideration in its workplan;

12. *Requests* the secretariat to update the UNFCCC national focal points when the information referred to in paragraph 6 above on climate finance directed to recipient countries as reported under the Convention is made available;

13. *Also requests* the Standing Committee on Finance to take into account the enhanced information provided by Parties included in Annex II to the Convention referred to in paragraph 6 above in its biennial assessment and overview of climate finance flows;

14. *Further requests* the Standing Committee on Finance to take into account the work on the methodologies for the reporting of financial information by Parties included in Annex I to the Convention in the context of its workplan on the measurement, reporting and verification of support;

15. *Invites* the Subsidiary Body for Implementation to take into consideration the adjustments referred to in paragraph 6 above in its revision of the “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications”, to be completed at the twenty-second session of the Conference of the Parties (November 2016);

16. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in paragraphs 7, 10 and 11 above;

17. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

## **Linkages between the Technology Mechanism and the Financial Mechanism of the Convention**

*The Conference of the Parties,*

*Recalling* decisions 1/CP.18, paragraph 62, and 3/CP.17, paragraph 17,

1. *Welcomes with appreciation* the recommendations of the Technology Executive Committee on linkages between the Technology Mechanism and the Financial Mechanism, as contained in the report of the Technology Executive Committee on this matter;<sup>1</sup>
2. *Welcomes* the ongoing and positive dialogue between the Green Climate Fund, the Global Environment Facility, the Technology Executive Committee and the Climate Technology Centre and Network;
3. *Also welcomes* the contribution of the Global Environment Facility to the activities of the Climate Technology Centre and Network and looks forward to ongoing cooperation between these two entities;
4. *Invites* the Board of the Green Climate Fund to provide its recommendations, in accordance with decision 1/CP.18, paragraph 62, for consideration by the Conference of the Parties at its twenty-second session (November 2016);
5. *Recognizes* the importance of and the need for defined, mutually beneficial and functional linkages between the Technology Mechanism and the Financial Mechanism through its operating entities, the Global Environment Facility and the Green Climate Fund;
6. *Also recognizes* that the definition and elaboration of linkages between the Technology Mechanism and the Financial Mechanism has the aim of ensuring financial resources for, and scaling up action on, technology development and transfer;

---

<sup>1</sup> FCCC/CP/2014/6.

7. *Underlines* the need for the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to enhance cooperation and collaboration with a view to enhancing the fulfilment and implementation of their respective mandates effectively, in accordance with Article 12, paragraph 4, of the Convention;

8. *Requests* the Technology Executive Committee, the Climate Technology Centre and Network and the operating entities of the Financial Mechanism to continue to consult on and further elaborate, including through an in-session workshop at the forty-fourth sessions of the subsidiary bodies (May 2016), the linkages between the Technology Mechanism and the Financial Mechanism;

9. *Also requests* the Technology Executive Committee to include, in its annual report, the findings arising from the activities referred to in paragraph 8 above for consideration by the Conference of the Parties at its twenty-second session, taking into consideration the recommendations referred to in paragraph 4 above;

10. *Invites* the Board of the Green Climate Fund, in line with paragraph 38 of the governing instrument of the Green Climate Fund,<sup>2</sup> to consider ways to provide support, pursuant to the modalities of the Green Climate Fund, for facilitating access to environmentally sound technologies in developing country Parties, and for undertaking collaborative research and development for enabling developing country Parties to enhance their mitigation and adaptation action.

*11<sup>th</sup> plenary meeting  
13 December 2015*

---

---

<sup>2</sup> Decision 3/CP.17, annex.

## Capacity-building under the Convention

*The Conference of the Parties,*

*Recalling* decisions 2/CP.7, 4/CP.12, 1/CP.16, 2/CP.17 and 1/CP.18,

1. *Adopts* the terms of reference for the third comprehensive review of the implementation of the framework for capacity-building in developing countries established under decision 2/CP.7 (hereinafter referred to as the capacity-building framework) as contained in the annex;
2. *Requests* the Subsidiary Body for Implementation to conduct the comprehensive review at its forty-fourth session (May 2016) on the basis of the terms of reference referred to in paragraph 1 above, with a view to recommending a draft decision on this matter for consideration and adoption by the Conference of Parties at its twenty-second session (November 2016);
3. *Also requests* the secretariat to prepare a technical paper based on the terms of reference referred to in paragraph 1 above as input to the comprehensive review;
4. *Invites* Parties and observer organizations to submit their views on the comprehensive review by 9 March 2016<sup>1</sup> for compilation by the secretariat into a miscellaneous document;
5. *Encourages* Parties to continue to provide information through the appropriate channels, including annual submissions on the implementation of the capacity-building framework, national communications, biennial reports and biennial update reports, on the progress made in enhancing capacity to address climate change;
6. *Urges* relevant bodies established under the Convention to continue to undertake capacity-building activities in their work, as appropriate;
7. *Stresses* that the Durban Forum is a platform to share experiences and exchange ideas, best practices and lessons learned

---

<sup>1</sup> Parties should submit their views via the submissions portal at <<http://www.unfccc.int/5900>>. Observer organizations should e-mail their submissions to <[secretariat@unfccc.int](mailto:secretariat@unfccc.int)>.

regarding the implementation of capacity-building activities with the participation of Parties, representatives of the relevant bodies established under the Convention, and relevant experts and practitioners;

8. *Invites* representatives of the bodies established under the Convention, operating entities of the Financial Mechanism of the Convention, intergovernmental and non-governmental organizations, and relevant experts and practitioners to integrate into their work programmes and activities the lessons learned at, and the main outcomes of, the meetings of the Durban Forum;

9. *Decides* that the 5<sup>th</sup> meeting of the Durban Forum, to be held during the forty-fourth session of the Subsidiary Body for Implementation, will explore potential ways for enhancing capacity-building by sharing information and varied experiences;

10. *Invites* United Nations agencies and multilateral organizations to provide information to the secretariat for the capacity-building portal;

11. *Also invites* Parties to submit by 9 March 2016,<sup>2</sup> as part of their annual submissions pursuant to decision 4/CP.12, suggestions on additional potential topics for the 5<sup>th</sup> meeting of the Durban Forum and their views on possible ways to enhance the information included in the capacity-building portal.

---

<sup>2</sup> <<http://www.unfccc.int/5900>>.

# Annex

## **Terms of reference for the third comprehensive review of the implementation of the framework for capacity-building in developing countries**

### **I. Mandate**

1. The Conference of the Parties (COP) decided to initiate the third comprehensive review of the implementation of the framework for capacity-building in developing countries established under decision 2/CP.7 (hereinafter referred to as the capacity-building framework) at the forty-second session of the Subsidiary Body for Implementation (SBI) with a view to completing the review at COP 22.<sup>1</sup>

2. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) decided to initiate the third comprehensive review of the implementation of the capacity-building framework at SBI 42 with a view to completing the review at CMP 12.<sup>2</sup>

### **II. Objectives**

3. The third comprehensive review of the implementation of the capacity-building framework has the following objectives:

(a) To explore ways to enhance the implementation of capacity-building activities by reviewing the current institutional arrangements related to capacity-building, including the thematic bodies under the Convention, with a view to making recommendations for the enhancement of these arrangements, as appropriate;

(b) To take stock of progress in and assess the effectiveness of the implementation of the capacity-building framework;

(c) To examine possible gaps between the provisions of decisions of the COP and the CMP and the implementation of capacity-building activities;

---

<sup>1</sup> Decision 13/CP.17, paragraph 7.

<sup>2</sup> Decision 15/CMP.7, paragraph 8.

(d) To identify lessons learned and best practices with a view to developing options for the enhanced implementation of the capacity-building framework, taking into account additional needs and priorities for capacity-building;

(e) To effectively review gaps and challenges in addressing the implementation of priority areas as contained in the capacity-building framework and in meeting capacity-building needs to enhance action on mitigation, adaptation and technology transfer;

(f) To effectively review capacity gaps and challenges in accessing climate finance;

(g) To provide recommendations to the SBI on ways to effectively address the capacity-building gaps at the individual, institutional and systemic levels, including those identified by the first<sup>3</sup> and second<sup>4</sup> comprehensive reviews of the implementation of the capacity-building framework;

(h) To explore potential ways to further enhance the implementation of capacity-building activities at the national level;

(i) To identify major actors supporting the implementation of the capacity-building framework within and outside the arrangements established under the Convention and its Kyoto Protocol;

(j) To review the operation of the Durban Forum and identify potential ways to enhance it.

### **III. General principles of the comprehensive review process**

4. The third comprehensive review of the implementation of the capacity-building framework should be conducted on the basis of the guiding principles and approaches outlined in decision 2/CP.7, annex, chapter B, and should take into account relevant provisions in related COP<sup>5</sup> and CMP<sup>6</sup> decisions on capacity-building.

---

<sup>3</sup> Decision 2/CP.10.

<sup>4</sup> Decisions 13/CP.17 and 15/CMP.7.

<sup>5</sup> Decisions 4/CP.9, 9/CP.9, 2/CP.10, 4/CP.12, 6/CP.14, 10/CP.16, 1/CP.16, 2/CP.17, 13/CP.17 and 1/CP.18.

<sup>6</sup> Decisions 7/CMP.1, 29/CMP.1, 6/CMP.2, 6/CMP.4, 11/CMP.6, 15/CMP.7 and 10/CMP.8.



## IV. Information sources

5. Information to be used in the third comprehensive review of the implementation of the capacity-building framework should be drawn from, inter alia:

- (a) Submissions from Parties;
- (b) Findings of the first<sup>7</sup> and second<sup>8</sup> comprehensive reviews of the implementation of the capacity-building framework;
- (c) Annual synthesis reports on the implementation of the capacity-building framework prepared in accordance with the steps for the regular monitoring and evaluation of capacity-building work as contained in decisions 4/CP.12 and 6/CMP.2;
- (d) Relevant national reports (such as national communications, biennial reports, biennial update reports, national adaptation programmes of action and their updates, outcomes of the national adaptation plan process, and national capacity self-assessments);
- (e) Reports and submissions from the Global Environment Facility and its implementing agencies, United Nations entities and other relevant organizations;
- (a) Information contained in the capacity-building portal;<sup>9</sup>
- (b) Summary reports on the meetings of the Durban Forum on capacity-building;
- (c) Reports of relevant bodies established under the Convention and its Kyoto Protocol;
- (d) Interviews, surveys and focused discussions with national focal points for Article 6 of the Convention and other relevant national focal points;
- (e) Other relevant existing documents prepared by the secretariat.

---

<sup>7</sup> Decision 2/CP.10.

<sup>8</sup> Decisions 13/CP.17 and 15/CMP.7.

<sup>9</sup>

<[http://unfccc.int/cooperation\\_and\\_support/capacity\\_building/items/7204.php](http://unfccc.int/cooperation_and_support/capacity_building/items/7204.php)>.

## **V. Modalities of work**

6. Drawing upon the information sources listed in chapter IV above and taking into account the objectives listed in chapter II above, the secretariat will prepare, for consideration at SBI 44, a report on the implementation of the capacity-building framework, including:

(a) Descriptions of capacity-building programmes and activities;

(b) Identification of needs and gaps and an assessment of factors that influence the effectiveness of capacity-building activities in developing countries;

(c) Key results and impacts;

(d) Information on the extent and variety of stakeholders within developing countries (governmental and non-governmental organizations, the private sector, community organizations, etc.) involved in, and benefiting from, capacity-building activities;

(e) The availability of and access to resources and the effectiveness of their deployment;

(f) Recommendations for the further implementation of the capacity-building framework;

(g) Assessment of the different baselines and performance indicators for capacity-building.

---

## Report of the Adaptation Fund Board

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decision 2/CMP.10, paragraph 4,

*Welcoming* the annual report of the Adaptation Fund Board,<sup>1</sup>

*Noting* the limited resources in the Adaptation Fund given the current prices of certified emission reductions, which affect its ability to fulfil its mandate,

1. *Welcomes* the financial pledges and contributions made to the Adaptation Fund by the Governments of Germany, Italy, Luxembourg, Sweden and the Walloon Region of Belgium, amounting to USD 77 million;
2. *Also welcomes* the adoption by the Executive Directors of the International Bank for Reconstruction and Development (the World Bank) of the amendments to the terms and conditions of services to be provided by the World Bank as trustee for the Adaptation Fund on an interim basis;<sup>2</sup>
3. *Notes* that, as at 30 June 2015, a total of USD 1.8 million in pledged contributions to the Adaptation Fund was outstanding;
4. *Also notes* the following information, actions and decisions relating to the Adaptation Fund contained in the report of the Adaptation Fund Board<sup>3</sup> and the oral report made by the Chair of the Adaptation Fund Board in December 2015:

(a) The approval of the second phase of the readiness programme for direct access to climate finance, launched on 1 July 2015, and the approval of South–South cooperation grants for Burundi, Cabo Verde, Chad and Niger, totalling USD 244,447;

(b) The approval of a pilot programme for regional projects/programmes;

---

<sup>1</sup> FCCC/KP/CMP/2015/2.

<sup>2</sup> Decision 1/CMP.10, annex.

<sup>3</sup> As footnote 1 above.

(c) Cumulative project and programme approvals reaching USD 318.6 million as at 30 June 2015;

(d) Funds available for new funding approvals amounting to USD 129.9 million as at 30 June 2015;

(e) The approval of 14 project/programme proposals, totalling USD 92.4 million, submitted by implementing entities, including 9 proposals submitted by national implementing entities totalling USD 54.1 million;

(f) The cumulative receipts of USD 483.3 million into the Adaptation Fund Trust Fund;

(g) The approval of a streamlined accreditation process for small-sized entities with limited experience in managing projects worth more than USD 1 million;

(h) Ongoing discussion on linkages between the Adaptation Fund and the Green Climate Fund;

(i) The accreditation of 20 national implementing entities that can access resources from the Adaptation Fund directly, including 3 entities accredited during the reporting period, and the accreditation of 5 regional implementing entities, including 1 accredited during the reporting period;

5. *Requests* the Adaptation Fund Board to continue its efforts to simplify accreditation procedures for national implementing entities and to report back on its progress to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session (November 2016);

6. *Urges* the developed country Parties that responded to the fundraising target of the Adaptation Fund Board but have not yet made financial contributions to do so at their earliest opportunity;

7. *Encourages* the provision of voluntary support that is additional to the share of proceeds from clean development mechanism project activities in order to support the resource mobilization efforts of the Adaptation Fund Board, with a view to strengthening the Adaptation Fund;

8. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its first session, consider that the Adaptation Fund may serve the Paris Agreement, in accordance with paragraphs 60 and 61 of decision 1/CP.21;

9. *Invites* the Conference of the Parties, at its twenty-second session (November 2016), to request the Ad Hoc Working Group on the Paris Agreement to undertake the necessary preparatory work concerning the issue referred to in paragraph 8 above and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for its consideration and adoption no later than at its fifteenth session (November 2019);

10. *Notes with appreciation* the efforts of the Adaptation Fund Board secretariat to organize workshops for national implementing entities;

11. *Requests* the Adaptation Fund Board to provide in its reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol further information on the status of the portfolio of the Adaptation Fund, including projects at different stages of development.

9th plenary meeting

13 December 2015

---

## Capacity-building under the Kyoto Protocol

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 29/CMP.1, 6/CMP.2, 6/CMP.4, 15/CMP.7, 10/CMP.8, 2/CP.7 and 2/CP.17,

1. *Requests* the Subsidiary Body for Implementation to conduct the third comprehensive review of the implementation of the framework for capacity-building in developing countries, established under decision 2/CP.7 and reaffirmed under decision 29/CMP.1, at its forty-fourth session (May 2016), on the basis of the terms of reference contained in the annex to decision 2/CP.21,<sup>1</sup> with a view to recommending a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session (November 2016);

2. *Decides* that the 5<sup>th</sup> meeting of the Durban Forum, to be held during the forty-fourth session of the Subsidiary Body for Implementation, will explore potential ways for enhancing capacity-building by sharing information and varied experiences related to the Kyoto Protocol;

3. *Invites* Parties to submit via the submissions portal,<sup>2</sup> by 9 March 2016, as part of their annual submissions pursuant to decision 6/CMP.2, suggestions for additional potential topics related to the Kyoto Protocol for the 5<sup>th</sup> meeting of the Durban Forum.

---

<sup>1</sup> FCCC/CP/2015/L.6.

<sup>2</sup> <<http://www.unfccc.int/5900>>.

Decision 1/CP.20  
(FCCC/CP/2014/10/Add.1)

## **Lima Call for Climate Action**

*The Conference of the Parties,*

*Reiterating* that the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall be under the Convention and guided by its principles,

*Recalling* the objective of the Convention as set out in its Article 2,

*Also recalling* all the relevant decisions of the Conference of the Parties, particularly decisions 1/CP.17, 2/CP.18 and 1/CP.19,

*Affirming* its determination to strengthen adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the Convention to be adopted at the twenty-first session of the Conference of the Parties (November-December 2015),

*Recalling* decisions 2/CP.19 and 2/CP.20 and welcoming the progress made in Lima, Peru, towards the implementation of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts,

*Noting* with grave concern the significant gap between the aggregate effect of Parties' mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2 °C or 1.5 °C above pre-industrial levels,

1. *Confirms* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action shall complete the work referred to in decision 1/CP.17, paragraph 2, as early as possible in order for the Conference of the Parties at its twenty-first session to adopt a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;

2. *Decides* that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address in a balanced manner, inter alia, mitigation,

adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support;

3. *Underscores* its commitment to reaching an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances;

4. *Urges* developed country Parties to provide and mobilize enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and recognizes complementary support by other Parties;

5. *Acknowledges* the progress made in Lima in elaborating the elements for a draft negotiating text as contained in the annex;

6. *Decides* that the Ad Hoc Working Group on the Durban Platform for Enhanced Action will intensify its work, with a view to making available a negotiating text for a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties before May 2015;

7. *Requests* the secretariat to communicate the negotiating text referred to in paragraph 6 above to Parties in accordance with provisions of the Convention and the applied rules of procedure, while noting that such communication will not prejudice whether the outcome will be a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all Parties;

8. *Notes* that the arrangements specified in this decision in relation to intended nationally determined contributions are without prejudice to the legal nature and content of the intended nationally determined contributions of Parties or to the content of the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties;

9. *Reiterates* its invitation to each Party to communicate to the secretariat its intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2;

10. *Agrees* that each Party's intended nationally determined contribution towards achieving the objective of the Convention as set out in its Article 2 will represent a progression beyond the current undertaking of that Party;



11. *Also agrees* that the least developed countries and small island developing States may communicate information on strategies, plans and actions for low greenhouse gas emission development reflecting their special circumstances in the context of intended nationally determined contributions;

12. *Invites* all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their intended nationally determined contributions;

13. *Reiterates* its invitation to all Parties to communicate their intended nationally determined contributions well in advance of the twenty-first session of the Conference of the Parties (by the first quarter of 2015 by those Parties ready to do so) in a manner that facilitates the clarity, transparency and understanding of the intended nationally determined contributions;

14. *Agrees* that the information to be provided by Parties communicating their intended nationally determined contributions, in order to facilitate clarity, transparency and understanding, may include, as appropriate, inter alia, quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals, and how the Party considers that its intended nationally determined contribution is fair and ambitious, in light of its national circumstances, and how it contributes towards achieving the objective of the Convention as set out in its Article 2;

15. *Reiterates* its call to developed country Parties, the operating entities of the Financial Mechanism and any other organizations in a position to do so to provide support for the preparation and communication of the intended nationally determined contributions of Parties that may need such support;

16. *Requests* the secretariat to:

(a) Publish on the UNFCCC website the intended nationally determined contributions as communicated;

(b) Prepare by 1 November 2015 a synthesis report on the aggregate effect of the intended nationally determined contributions communicated by Parties by 1 October 2015;

17. *Encourages* all Parties to the Kyoto Protocol to ratify and implement the Doha Amendment to the Kyoto Protocol;

18. *Reiterates* its resolve as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;

19. *Decides* to continue the technical examination of opportunities with high mitigation potential, including those with adaptation, health and sustainable development co-benefits, in the period 2015–2020, by requesting the secretariat to:

(a) Organize a series of in-session technical expert meetings which:

- (i) Facilitate Parties in the identification of policy options, practices and technologies and in planning for their implementation in accordance with nationally defined development priorities;
- (ii) Build on and utilize the related activities of, and further enhance collaboration and synergies among, the Technology Executive Committee, the Climate Technology Centre and Network, the Durban Forum on capacity-building, the Executive Board of the clean development mechanism and the operating entities of the Financial Mechanism;
- (iii) Build on previous technical expert meetings<sup>1</sup> in order to hone and focus on actionable policy options;
- (iv) Provide meaningful and regular opportunities for the effective engagement of experts from Parties, relevant international organizations, civil society, indigenous peoples, women, youth, academic institutions, the private sector, and subnational authorities nominated by their respective countries;

---

<sup>1</sup> In 2014 the Ad Hoc Working Group on the Durban Platform for Enhanced Action undertook technical expert meetings on renewable energy, energy efficiency, land-use change and forestry (including REDD-plus), urban environments, carbon dioxide capture, use and storage and non-carbon dioxide greenhouse gases.

- (v) Support the accelerated implementation of policy options and enhanced mitigation action, including through international cooperation;
- (vi) Facilitate the enhanced engagement of all Parties through the announcement of topics to be addressed, agendas and related materials at least two months in advance of technical expert meetings;

(b) Update, following the technical expert meetings referred to in paragraph 19(a) above, the technical paper on the mitigation benefits of actions, and on initiatives and options to enhance mitigation ambition, compiling information provided in submissions from Parties and observer organizations and the discussions held at the technical expert meetings and drawing on other relevant information on the implementation of policy options at all levels, including through multilateral cooperation;

(c) Disseminate the information referred to in paragraph 19(b) above, including by publishing a summary for policymakers;

20. *Requests* the Ad Hoc Working Group on the Durban Platform for Enhanced Action to make recommendations in relation to further advancing the technical examination process, including the periodic assessment of the technical expert meetings, to the Conference of the Parties at its twenty-first session;

21. *Welcomes* the Lima Climate Action High-level Meeting convened by the President of the Conference of the Parties on 11 December 2014 and encourages the Executive Secretary and the President of the Conference of the Parties to convene an annual high-level event on enhancing implementation of climate action;

22. *Notes* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

---

## **Annex**

### **Elements for a draft negotiating text**

*(Placeholder)*

Decision 5/CP.20  
(FCCC/CP/2014/10/Add.2)

## Long-term climate finance

*The Conference of the Parties,*

*Recalling Articles 4 and 11 of the Convention,*

*Also recalling* decision 1/CP.16, paragraphs 2, 4 and 97–101, as well as decisions 1/CP.17, 2/CP.17, paragraphs 126–132, and decisions 4/CP.18 and 3/CP.19,

1. *Welcomes with appreciation* the pledges to the Green Climate Fund and to the sixth replenishment of the Global Environment Facility, and contributions to the Least Developed Countries Fund, the Special Climate Change Fund, and the Adaptation Fund;
2. *Takes note* of the in-session workshop on long-term climate finance held in 2014 and the summary report prepared by the secretariat thereon;<sup>1</sup>
3. *Welcomes* the biennial submissions received to date from developed country Parties on updated strategies and approaches for scaling up climate finance from 2014 to 2020 as contained in decision 3/CP.19, paragraph 10, and urges those developed country Parties that have not yet done so to do so;
4. *Also welcomes* the first biennial high-level ministerial dialogue on climate finance convened in accordance with decision 3/CP.19, and looks forward to the summary of the presidency of the Conference of the Parties on the deliberations of this dialogue;
5. *Notes with appreciation* the 2014 Biennial Assessment and Overview of Climate Finance Flows Report;<sup>2</sup>
6. *Takes note* of decision 11/CP.20 on methodologies for the reporting of financial information by Parties included in Annex I to the Convention, and decision 6/CP.20 on the report of the Standing Committee on Finance;
7. *Further calls* on developed country Parties to channel a substantial share of public climate funds to adaptation activities;

---

<sup>1</sup> FCCC/CP/2014/3.

<sup>2</sup> <[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/2014\\_biennial\\_assessment\\_and\\_overview\\_of\\_climate\\_finance\\_flows\\_report\\_web.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2014_biennial_assessment_and_overview_of_climate_finance_flows_report_web.pdf)>.

8. *Requests* Parties to continue to enhance their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance, in accordance with decision 3/CP.19;

9. *Recognizes* that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries;

10. *Requests* developed country Parties, in preparing their next round of updated biennial submissions on strategies and approaches for scaling up climate finance for the period 2016–2020, to enhance the available quantitative and qualitative elements of a pathway, placing greater emphasis on transparency and predictability of financial flows, as per decision 3/CP.19, paragraph 10;

11. *Also requests* the secretariat to prepare a compilation and synthesis of the biennial submissions on the strategies and approaches, to inform the in-session workshops;

12. *Further requests* the secretariat to organize annual in-session workshops through to 2020 and to prepare a summary report of the workshops for annual consideration by the Conference of the Parties and the high-level ministerial dialogue on climate finance;

13. *Decides* that the in-session workshops referred in paragraph 12 above will, in 2015 and 2016, focus on the issues of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities in accordance with decision 3/CP.19, paragraph 12;

14. *Invites* the thematic bodies under the Convention, in particular the Standing Committee on Finance, the Adaptation Committee and the Technology Executive Committee, where appropriate, to consider the long-term finance issues referred in decision 3/CP.19, paragraph 12 when implementing their 2015–2016 workplans, as an input to the in-session workshops referred to in paragraph 12 above.

Decision 6/CP.20  
(FCCC/CP/2014/10/Add.2)

## Report of the Standing Committee on Finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decisions 1/CP.16, paragraph 112 and 2/CP.17, paragraphs 120 and 121; as well as decisions 5/CP.18 and 7/CP.19,

1. *Welcomes*, and *notes with appreciation*, the report of the Standing Committee on Finance;<sup>1</sup>
2. *Also welcomes* the transparency and openness with which the Standing Committee on Finance conducts its work;
3. *Endorses* the workplan of the Standing Committee on Finance for 2015;<sup>2</sup>
4. *Expresses its appreciation* for the financial contributions provided by the Governments of Belgium, Japan, Norway and Switzerland and the European Union in order to support the implementation of the work programme of the Standing Committee on Finance, and *recalls* decision 2/CP.17, paragraph 124;
5. *Invites* the Standing Committee on Finance to further strengthen its engagement with all relevant stakeholders and bodies of the Convention;
6. *Welcomes* the progress achieved by the Standing Committee on Finance through the successful completion of the 2014 biennial assessment and overview of climate finance flows covering the period 2010–2012;
7. *Notes with appreciation* the 2014 Biennial Assessment and Overview of Climate Finance Flows Report;<sup>3</sup>
8. *Invites* the relevant bodies under the Convention to take note of the summary and recommendations by the Standing Committee

---

<sup>1</sup> FCCC/CP/2014/5.

<sup>2</sup> FCCC/CP/2014/5, annex VIII.

<sup>3</sup> <[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/2014\\_biennial\\_assessment\\_and\\_overview\\_of\\_climate\\_finance\\_flows\\_report\\_web.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2014_biennial_assessment_and_overview_of_climate_finance_flows_report_web.pdf)>.

on Finance on the 2014 biennial assessment and overview of climate finance flows;<sup>4</sup>

9. *Requests* relevant technical bodies to consider the recommendations contained in the report of the 2014 biennial assessment and overview of climate finance flows as part of their ongoing deliberations related to climate finance;

10. *Also requests* the Standing Committee on Finance, as part of its ongoing work on measurement, reporting and verification of support, and with a view to recommending improvements to the methodologies for reporting financial information, to consider the findings and recommendations of the biennial assessment in its annual report to the Conference of the Parties for its consideration at its twenty-first session (November–December 2015);

11. *Further requests* the Standing Committee on Finance, in the context of its ongoing work, including the preparation of the biennial assessment and overview of climate finance flows, to further explore how it can enhance its work on the measurement, reporting and verification of support, based on best available information on the mobilization of various resources, including private and alternative resources, through public interventions;

12. *Requests* the Standing Committee on Finance to include, in its report to the Conference of the Parties at its twenty-first session, information on progress made in the implementation of its 2015 workplan, taking into account paragraphs 4–7 of decision 11/CP.20 on methodologies for the reporting of financial information by Parties included in Annex I to the Convention;

13. *Welcomes* the 2014 Standing Committee on Finance forum on the mobilization of adaptation finance;<sup>5</sup>

14. *Takes note* of the report of the 2014 Standing Committee on Finance forum;<sup>6</sup>

15. *Notes with appreciation* the progress of the work by the Standing Committee on Finance on the issue of financing for forests, taking into account different policy approaches;<sup>7</sup>

---

<sup>4</sup> FCCC/CP/2014/5, annex II.

<sup>5</sup> See <[http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/items/8138.php](http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/8138.php)>.

<sup>6</sup> <[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/2nd\\_scf\\_forum\\_for\\_web.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2nd_scf_forum_for_web.pdf)>.

<sup>7</sup> Decision 7/CP.19, paragraph 11.

16. *Looks forward* to the third forum of the Standing Committee on Finance, taking place in 2015, which will focus on issues related to finance for forests;<sup>8</sup>
17. *Encourages* the Standing Committee on Finance to continue to engage with all relevant actors working on forests in the preparation of the forum, with a view to ensuring broad participation;
18. *Invites* the Standing Committee on Finance to consider, in the context of its forum on issues related to finance for forests, inter alia, decisions relevant to activities referred to in decision 1/CP.16, paragraph 70, including decisions 1/CP.16, 2/CP.17 and 12/CP.17 as well as decisions 9/CP.19 to 15/CP.19;
19. *Endorses* the recommendations on the provision of guidance to the operating entities provided in paragraph 10 of the report of the Standing Committee on Finance to the Conference of the Parties;<sup>9</sup>
20. *Requests* the Standing Committee on Finance to provide advice on the issue of the frequency of guidance to the Financial Mechanism and to report back to the Conference of the Parties at its twenty-first session;
21. *Welcomes* the inputs of the Technology Executive Committee and the Adaptation Committee to the work of the Standing Committee on Finance for its consideration in preparing elements of draft guidance to the operating entities;
22. *Requests* the Standing Committee on Finance to consider issues related to possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention;
23. *Decides*, in accordance with decision 2/CP.17, annex VI, paragraph 10, to conduct the review of the functions of the Standing Committee on Finance no later than the twenty-third session of the Conference of the Parties (November–December 2017);
24. *Requests* the Standing Committee on Finance to consider the guidance provided to the Standing Committee on Finance in other decisions of the Conference of the Parties.

---

<sup>8</sup> Decision 9/CP.19, paragraph 20.

<sup>9</sup> FCCC/CP/2014/5.



## **Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Taking into account* decision 11/CP.1,

*Recalling* decisions 1/CP.16, 3/CP.17, 1/CP.18, 6/CP.18, 7/CP.18, 4/CP.19 and 5/CP.19,

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties,<sup>1</sup> in particular the detailed and comprehensive list of responses of the Green Climate Fund Board to guidance received from the Conference of the Parties;<sup>2</sup>
2. *Notes with appreciation* the progress made by the Green Climate Fund, and the information contained thereon in the report of the Green Climate Fund, in particular the decision on the confirmation of the completion of the essential requirements and the commencement of the initial resource mobilization process;
3. *Welcomes with appreciation* the successful and timely initial resource mobilization process of the Green Climate Fund that led to the mobilization of USD 10.2 billion to date by contributing Parties,<sup>3</sup> enabling the Green Climate Fund to start its activities in supporting developing country Parties of the Convention, and making it the largest dedicated climate fund;
4. *Requests* the Green Climate Fund to ensure that the ongoing resource mobilization efforts are commensurate with the ambitions of the Fund, and *calls* for contributions by other developed country

---

<sup>1</sup> As contained in document FCCC/CP/2014/8.

<sup>2</sup> As contained in sections II and III of document FCCC/CP/2014/8.

<sup>3</sup> Australia, Austria, Belgium, Canada, Colombia, Czech Republic, Denmark, Finland, France, Germany, Indonesia, Italy, Japan, Liechtenstein, Luxembourg, Mexico, Monaco, Mongolia, Netherlands, New Zealand, Norway, Panama, Peru, Republic of Korea, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, and United States of America.

Parties,<sup>4</sup> as well as *invites* financial inputs from a variety of other sources, public and private, including alternative sources,<sup>5</sup> throughout the initial resource mobilization process;

5. *Urges* the Green Climate Fund, the Interim Trustee, and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangements, taking note that the commitment authority of the Green Climate Fund will become effective when 50 per cent of the contributions pledged by the November 2014 pledging session are reflected in fully executed contribution agreements/arrangements received by the secretariat no later than 30 April 2015 as provided for in Green Climate Fund Board decision B.08/13, annex XIX, paragraph 1(c);

6. *Notes* Green Climate Fund Board decisions, including the decisions made at its 8<sup>th</sup> meeting, regarding the formal replenishment process for the Fund;

7. *Welcomes* Green Climate Fund Board decision B.08/07 to start taking decisions on the approval of projects and programmes no later than its 3<sup>rd</sup> meeting in 2015;

8. *Requests* the Board of the Green Climate Fund to accelerate the operationalization of the adaptation and mitigation windows, and to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument;<sup>6</sup>

9. *Also requests* the Board of the Green Climate Fund to accelerate the operationalization of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015, expediting action to engage local private sector actors in developing country Parties, including small- and medium-sized enterprises in the least developed countries, small island developing States and African States, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector;

10. *Further requests* the Board of the Green Climate Fund, in the implementation of its 2015 workplan, to complete its work related to policies and procedures to accept financial inputs from non-public and alternative sources, the investment and risk management

---

<sup>4</sup> As per decision 4/CP.19, paragraph 13.

<sup>5</sup> As per decision 4/CP.19, paragraph 15.

<sup>6</sup> Annex to decision 3/CP.17.

frameworks of the Green Climate Fund, the impact analysis on its initial results areas, including options for determining Board level investment portfolios across the structure of the Fund,<sup>7</sup> and the approval process of the Fund, including methodologies for selecting programmes and projects that best achieve the objectives of the Fund;<sup>8</sup>

11. *Requests* the Board of the Green Climate Fund to consider ways by which to further increase the transparency of its proceedings;

12. *Also requests* the Board of the Green Climate Fund to accelerate the implementation of its work programme on readiness and preparatory support, ensuring that adequate resources are provided for its execution, including from the initial resource mobilization process, providing urgent support to developing countries, in particular the least developed countries, small island developing States and African States, led by their national designated authorities or focal points to build institutional capacities in accordance with Green Climate Fund Board decision B.08/11;

13. *Encourages* the timely implementation of the accreditation framework and requests the Board of the Green Climate Fund, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including the least developed countries, small island developing States and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast-tracking that request it;

14. *Invites* developing country Parties to expedite the nomination of their national designated authorities and focal points as soon as possible, as well as the selection of their national and subnational implementing entities, to facilitate their engagement with the Green Climate Fund;

15. *Requests* the Board of the Green Climate Fund, when deciding its policies and programme priorities, to consider the information and lessons learned through engagement with other relevant bodies under the Convention, and other relevant international institutions;

16. *Also requests* the Green Climate Fund to enhance its collaboration with existing funds under the Convention and other

---

<sup>7</sup> Green Climate Fund Board decision B.08/07, paragraph (1).

<sup>8</sup> Green Climate Fund Board decision B.07/03, paragraph (b).

climate relevant funds in order to enhance the complementarity and coherence of policies and programming at the national level;

17. *Further requests* the Board of the Green Climate Fund to further enhance the participation of all stakeholders in accordance with paragraph 71 of the Governing Instrument and other relevant Board decisions;

18. *Requests* the Board of the Green Climate Fund:

(a) To develop a monitoring and accountability framework in accordance with Green Climate Fund Board decision B.08/02;

(b) To consider decisions relevant to REDD-plus,<sup>9</sup> including decisions 1/CP.16, 2/CP.17, 12/CP.17 and decisions 9/CP.19, 10/CP.19, 11/CP.19, 12/CP.19, 13/CP.19, 14/CP.19 and 15/CP.19;

19. *Urges* the Green Climate Fund to ensure that staff selection is open, transparent and based on merit without discrimination, taking into account geographical and gender balance, in accordance with the administrative policies of the Green Climate Fund;<sup>10</sup>

20. *Takes note* of Green Climate Fund Board decision B.08/24 on the institutional linkage between the United Nations and the Green Climate Fund, and *requests* the Board of the Green Climate Fund to continue further deliberations on privileges and immunities, and to report on this matter to the Conference of the Parties at its twenty-first session (November–December 2015);

21. *Urges* developing country Parties to enter into bilateral agreements with the Green Climate Fund based on the template to be approved by the Board of the Green Climate Fund, in order to provide privileges and immunities for the Fund, in accordance with Green Climate Fund Board decision B.08/24, paragraph (b);

22. *Requests* the Board of the Green Climate Fund to report biennially to the Conference of the Parties on the status of existing privileges and immunities with regard to its operational activities, starting at the twenty-first session of the Conference of the Parties;

---

<sup>9</sup> Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

<sup>10</sup> Green Climate Fund Board decision B.06/03, annex I.

23. *Also requests* the Board of the Green Climate Fund to make available its annual report in a timely manner and no later than 12 weeks prior to a session of the Conference of the Parties in accordance with decision 6/CP.18, paragraph 15, for due consideration by Parties;

24. *Further requests* the Green Climate Fund to include in its annual report to the Conference of the Parties the recommendations of its independent redress mechanism, if any, and any actions taken by the Board in response to those recommendations;<sup>11</sup>

25. *Requests* the Board of the Green Climate Fund to report to the Conference of the Parties at its twenty-first session on progress made in the implementation of this decision, as well as the elements and provisions of the guidance contained in decisions 3/CP.17, 6/CP.18, 4/CP.19 and 5/CP.19;

26. *Invites* Parties to submit to the secretariat annually, and no later than 10 weeks prior to the subsequent session of the Conference of the Parties, their views and recommendations in writing on the elements to be taken into account in developing guidance to the Green Climate Fund;

27. *Requests* the secretariat to compile the submissions referred to in paragraph 26 above into a miscellaneous document for consideration by Parties in developing guidance through the Standing Committee on Finance to the Green Climate Fund.

---

<sup>11</sup> In accordance with the annex to decision 5/CP.19, paragraph 9.

## **Report of the Global Environment Facility to the Conference of the Parties and additional guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Recalling* decisions 12/CP.2, 3/CP.16, 5/CP.16, 7/CP.16, 11/CP.17, 9/CP.18 and 6/CP.19,

*Taking note with appreciation* of the annual report of the Global Environment Facility to the Conference of the Parties,<sup>1</sup>

*Taking note* of the recommendations of the Standing Committee on Finance contained in its report to the Conference of the Parties with regard to the provision of draft guidance to the Global Environment Facility;<sup>2</sup>

1. *Welcomes with appreciation* the sixth replenishment of the Global Environment Facility (July 2014 to June 2018), while urging countries that have not fulfilled their pledges for the fifth replenishment of the Global Environment Facility to do so as soon as possible;
2. *Notes* that the amount of funding available for the climate change focal area was reduced in the sixth replenishment period of the Global Environment Facility and that the country allocation of some countries, including some least developed countries, small island developing States, and African States has decreased as a consequence, while highlighting that funding for climate change related interventions at the Global Environment Facility has continued to increase with pilot integrated approaches;
3. *Welcomes* the pledges and contributions made to the Least Developed *Countries* Fund and the Special Climate Change Fund, and *calls* for continued support to these funds;
4. *Notes* the actions being taken by the Global Environment Facility to *expedite* its project cycle;
5. *Encourages* the Global Environment Facility to continue to cooperate with all its implementing and project agencies as well as

---

<sup>1</sup> FCCC/CP/2014/2 and Add.1.

<sup>2</sup> Annex V to document FCCC/CP/2014/5.

recipient countries in order to improve its project cycle, taking into account the report of the fifth overall performance study of the Global Environment Facility<sup>3</sup> and the recommendations contained therein;

6. *Also encourages* the Global Environment Facility to continue to increase the overall transparency and openness of its operations, particularly with regard to the disclosure of information on the status of the implementation of projects and programmes, the project-level accountability of its implementing agencies and with respect to the timely disbursement of funds, as well as the advice provided to countries on co-financing;

7. *Welcomes* the gender mainstreaming policy of the Global Environment Facility;

8. *Requests* the Global Environment Facility to ensure that gender mainstreaming is implemented both within its portfolio and within its structure;

9. *Takes note* of the policy on co-financing of the Global Environment Facility and the concerns regarding the implementation of this policy as raised by some Parties;

10. *Encourages* the Global Environment Facility to improve the communication of its co-financing policy so that it is better understood, and appropriately applied by accredited project agencies and the implementing agencies of the Global Environment Facility, while acknowledging the potential impacts of this policy on developing country Parties, in particular the least developed countries, small island developing States, and African States;

11. *Also encourages* the Global Environment Facility to finalize the accreditation of project agencies and to share, in its next report to the Conference of the Parties, lessons learned and progress made in its pilot accreditation of project agencies, particularly in the least developed countries, small island developing States and African States;

12. *Requests* the Global Environment Facility to continue to work with its implementing agencies to further simplify its procedures and improve the effectiveness and efficiency of the process through which Parties not included in Annex I to the Convention receive

---

<sup>3</sup> Global Environment Facility Evaluation Office, 2014, *Fifth Overall Performance Study of the GEF: At the Crossroads for higher Impact*.

funding to meet their obligations under Article 12, paragraph 1, of the Convention;

13. *Invites* Parties to submit to the secretariat annually, in writing, and no later than 10 weeks prior to the subsequent session of the Conference of the Parties, their views and recommendations on the elements to be taken into account in developing guidance to the Global Environment Facility;

14. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 13 above when providing draft guidance to the Global Environment Facility for consideration by the Conference of the Parties;

15. *Also requests* the Global Environment Facility to include, in its annual report to the Conference of the Parties, information on the steps that it has taken to implement the guidance provided in this decision.

---



## **Fifth Review of the Financial Mechanism**

*The Conference of the Parties,*

*Recalling* decisions 3/CP.4, 2.CP.12, 1/CP.16, 2/CP.16 and 8/CP.19,

*Welcoming* the progress made by the Board of the Green Climate Fund in operationalizing the Green Climate Fund,

*Noting* that the fifth review of the Financial Mechanism focused on the Global Environment Facility owing to the fact that the Green Climate Fund is still developing its operations and that therefore it was premature to review many aspects of the Green Climate Fund,

1. *Welcomes with appreciation* the expert input to the fifth review of the Financial Mechanism provided by the Standing Committee on Finance, contained in the technical paper referred to in paragraph 3 below;
2. *Encourages* the Standing Committee on Finance to build on the same methodology and criteria in future reviews of the Financial Mechanism;
3. *Acknowledges* the executive summary of the technical paper on the fifth review, as contained in the annex, including the conclusions and recommendations made by the Standing Committee on Finance;
4. *Encourages* the operating entities of the Financial Mechanism to address, as appropriate, these recommendations in their future work, particularly with regard to the complementarity between the operating entities of the Financial Mechanism;
5. *Recognizes* the general positive assessment of the performance of the Global Environment Facility;
6. *Notes*, however, that the least developed countries and small island developing States still experience challenges in accessing the resources from the Global Environment Facility;
7. *Decides* to consider the timing of guidance provided by the Conference of the Parties to the operating entities of the Financial Mechanism, especially that guidance which has resource

implications vis-à-vis the replenishment cycles of the operating entities of the Financial Mechanism, in order to ensure that key guidance is fully considered in the programming strategies and policy recommendations associated with each replenishment period of the operating entities of the Financial Mechanism;

8. *Also decides* to initiate the sixth review of the Financial Mechanism at its twenty-second session (November–December 2016), in accordance with the criteria contained in the guidelines annexed to decision 8/CP.19, or as these guidelines may be subsequently amended;

9. *Requests* the Standing Committee on Finance to provide expert input to the sixth review of the Financial Mechanism in 2017 with a view to the review being completed by the Conference of the Parties at its twenty-third session (November–December 2017).

---

## **Annex**

### **Executive summary of the technical paper on the fifth review of the Financial Mechanism**

*(Placeholder)*

Decision 10/CP.20  
(FCCC/CP/2014/10/Add.2)

**Further guidance to the  
Least Developed Countries Fund**

*The Conference of the Parties,*

*Recognizing* the specific needs and special circumstances of the least developed countries, as referred to in Article 4, paragraph 9, of the Convention,

*Recalling* decisions 6/CP.9, 3/CP.11, 5/CP.14, 5/CP.16, 9/CP.17 and 10/CP.18,

*Also recalling* the least developed countries work programme, as defined in decision 5/CP.7,

1. *Welcomes* the increased allocation and disbursement of funds to least developed country Parties under the Least Developed Countries Fund;
2. *Notes* with appreciation the additional contributions made by Parties to the Least Developed Countries Fund;
3. *Notes* the report of the Global Environment Facility to the Conference of the Parties at its twentieth session;<sup>1</sup> and the synthesis report prepared by the secretariat on the progress made in the implementation of the remaining elements of the least developed countries work programme;<sup>2</sup>
4. *Also notes* the submission from a Party on behalf of a group of Parties on information on experiences with the implementation of the remaining elements of the least developed countries work programme;<sup>3</sup>
5. *Further notes* that the Least Developed Countries Fund has financed the preparation of 51 national adaptation programmes of action, of which 50 have been completed, and has approved the funding for 159 national adaptation programmes of action implementation projects and for programmes in 48 least developed countries (as at 3 December 2014);

---

<sup>1</sup> FCCC/CP/2014/2.

<sup>2</sup> FCCC/SBI/2014/INF.17.

<sup>3</sup> FCCC/SBI/2014/MISC.3.

6. *Encourages* developed country Parties and other Parties in a position to do so to continue contributing on a voluntary basis to the Least Developed Countries Fund in order to support the implementation of the least developed countries work programme;

7. *Invites* the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to continue to support the remaining activities contained in the least developed countries work programme;

8. *Requests* the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to share, in its next report, lessons learned and progress made in its pilot accreditation of Global Environment Facility national project agencies;

9. *Invites* the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to include, in its annual report to the Conference of the Parties, information on specific actions that it has undertaken to implement the remaining elements of the least developed countries work programme, including the updating and implementation of national adaptation programmes of action, with a view to the Conference of the Parties determining, at its twenty-first session, appropriate further guidance to be provided to the Global Environment Facility;

10. *Requests* the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to enhance communication with its implementing agencies and to encourage its implementing agencies to enhance their communication with countries to facilitate a timely implementation of other elements of the least developed countries work programme including national adaptation programmes of action.

Decision 11/CP.20  
(FCCC/CP/2014/10/Add.2)

**Methodologies for the reporting of  
financial information by Parties included in  
Annex I to the Convention**

*The Conference of the Parties,*

*Recalling Articles 4, 5, 7, 10 and 12 of the Convention,*

*Also recalling decisions 9/CP.2, 11/CP.4, 4/CP.5 and 1/CP.16,  
paragraph 40,*

1. *Decides* to extend by one year the deadline of the mandate given to the Subsidiary Body for Scientific and Technological Advice, as referred to in decision 2/CP.17, paragraph 19, with a view to recommending a decision on the methodologies for the reporting of financial information, as referred to in decision 2/CP.17, paragraph 19, to the Conference of the Parties at its twenty-first session (November–December 2015);
2. *Invites* Parties and observer organizations to submit to the secretariat, by 25 March 2015, views on the methodologies for the reporting of financial information, as referred to in decision 2/CP.17, paragraph 19, for compilation into a miscellaneous document;
3. *Requests* the secretariat to prepare a technical paper, prior to the forty-second sessions of the subsidiary bodies (June 2015), summarizing existing international methodologies and drawing on relevant information contained in submissions from Parties included in Annex I to the Convention, as referred to in decision 2/CP.17, paragraph 17, on their experience with reporting the first biennial reports, the submissions referred to in paragraph 2 above, information submitted by Parties on appropriate methodologies and systems used to measure and track climate finance, as referred to in decision 5/CP.18, paragraph 10, and the work of the Standing Committee on Finance on the 2014 biennial assessment and overview of climate finance flows;
4. *Also requests* the secretariat to organize a joint in-session technical workshop in conjunction with the forty-second sessions of the subsidiary bodies, drawing on the information referred to in paragraphs 2 and 3 above, so as to inform the work of the Subsidiary

Body for Scientific and Technological Advice, as referred to in decision 2/CP.17, paragraph 19;

5. *Decides* that the workshop referred to in paragraph 4 above shall be jointly organized under the auspices of the Subsidiary Body for Scientific and Technological Advice, the Subsidiary Body for Implementation and the Standing Committee on Finance;

6. *Requests* the Standing Committee on Finance, as a part of its work on measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows, taking into consideration the outcomes of the joint in-session technical workshop referred to in paragraph 4 above, to include its recommendations on the methodologies for the reporting of financial information, as referred to in decision 2/CP.17, paragraph 19, in its annual report to the Conference of the Parties at its twenty-first session;

7. *Also requests* the Standing Committee on Finance to present an update on its work on this matter to the Subsidiary Body for Scientific and Technological Advice for its consideration at its forty-third session (November–December 2015);

8. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat pursuant to the provisions contained in paragraphs 3 and 4 above;

9. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

---

Decision 1/CMP.10  
(FCCC/KP/CMP/2014/9/Add.1)

## Report of the Adaptation Fund Board

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Welcoming* the report of the Adaptation Fund Board,<sup>1</sup>

*Noting with concern* the level of market prices for certified emission reductions and their expected impact on the availability of funding from the Adaptation Fund and on its ability to fulfil its mandate,

1. *Adopts* the amendment to 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, on an interim basis, contained in the annex;
2. *Notes* the following information, actions and decisions relating to the Adaptation Fund Board contained in the report of the Adaptation Fund Board and the oral report made by the Chair of the Adaptation Fund Board in December 2014:
  - (a) The accreditation of 17 national implementing entities that can directly access resources from the Adaptation Fund, including one accredited during the reporting period; and the accreditation of four regional implementing entities, including two during the reporting period;
  - (b) Cumulative project and programme approvals reaching USD 264.8 million as at November 2014;
  - (c) Approval of the environmental and social policy of the Adaptation Fund;
  - (d) Approval of the readiness programme for direct access to climate finance, launched on 1 May 2014, and of its execution arrangements and eligibility criteria for the allocation of funds to accredited implementing entities for specific activities;
  - (e) Approval of one annual intersessional project/programme review cycle during an intersessional period of 24 weeks or more between two consecutive Board meetings;

---

<sup>1</sup> FCCC/KP/CMP/2014/6.

(f) Approval of 16 project/programme proposals, totalling USD 80.6 million, submitted by implementing entities from July 2013 to November 2014, including 10 proposals submitted by national implementing entities totalling USD 43.2 million;

(g) Establishment of a new fundraising target of USD 80 million per calendar year in 2014 and 2015;

3. *Also notes* the cumulative receipts of USD 407.9 million into the Adaptation Fund Trust Fund;

4. *Further notes* that the pledges have surpassed the initial fundraising target set by the Adaptation Fund Board of USD 100 million for the calendar years 2012 and 2013;

5. *Urges* those developed country Parties that responded to the initial fundraising target of the Adaptation Fund Board but have not completed the process to do so at their earliest opportunity;

6. *Welcomes* the target for the resource mobilization strategy set by the Adaptation Fund Board of USD 80 million per calendar year in 2014 and 2015;

7. *Continues to encourage* Parties included in Annex I to the Convention to provide funding to support the target referred to in paragraph 6 above and to scale up funding, with a view to the resource mobilization goal of the Board being reached from resources that are additional to the share of proceeds from clean development mechanism project activities, the first international transfers of assigned amount units and the issuance of emission reduction units for activities under Article 6 of the Kyoto Protocol;

8. *Welcomes* the financial contributions that have been made to the Adaptation Fund in 2014 and the pledge of EUR 50 million made by Germany towards the target referred to in paragraph 6 above;

9. *Invites* further support for the readiness programme of the Adaptation Fund Board for direct access to climate finance in accordance with decision 2/CMP.10, paragraph;

10. *Requests* the Adaptation Fund Board, in its future reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to provide further clarity on the effect of the fluctuation of the price of certified emission reductions and the impact of this fluctuation on the resources available to the Fund;



11. *Also requests* the Adaptation Fund Board to continue its work on options for permanent institutional arrangements for the secretariat and the trustee, including via an open and competitive bidding process for the selection of a permanent trustee for the Adaptation Fund on the basis of the cost and time frame of each option and its legal and financial implications in order to ensure there is no discontinuity of the trustee service.

## **Annex**

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

Decision 2/CMP.10  
(FCCC/KP/CMP/2014/9/Add.1)

## **Second review of the Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Underlining* the crucial importance of the Adaptation Fund as an essential channel for supporting adaptation action and the main promoter of direct access, together with its focus on funding the full costs of concrete adaptation projects and programmes in developing countries,

*Noting with deep concern* the continued issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund, given the current prices of certified emission reductions, which affect its ability to fulfil its mandate,

1. *Takes note* of the report of the Adaptation Fund Board<sup>1</sup> and the technical paper on the second review of the Adaptation Fund;<sup>2</sup>
2. *Underlines* the urgent implementation of the resource mobilization strategy of the Adaptation Fund Board;
3. *Encourages* the Adaptation Fund Board to consider the following options for addressing the predictability of resources, in particular:
  - (a) The scale of resources;
  - (b) Regular estimates of the resources needed;
  - (c) Continuous review of the status of projects;
4. *Requests* the Adaptation Fund Board to consider options, including those contained in the technical paper referred to in paragraph 1 above, for addressing the diversification of revenue streams of the Adaptation Fund, in accordance with the mandate of the Fund;
5. *Also requests* the Adaptation Fund Board to consider, under its readiness programme, the following options for enhancing the access modalities of the Adaptation Fund:

---

<sup>1</sup> FCCC/KP/CMP/2014/6.

<sup>2</sup> FCCC/TP/2014/7.

(a) Targeted institutional strengthening strategies to assist developing countries, in particular the least developed countries, to accredit more national or regional implementing entities to the Adaptation Fund;

(b) Ensuring that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-size projects and programmes;

6. *Further requests* the Adaptation Fund Board to consider options for developing operational linkages, as appropriate, between the Adaptation Fund and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies;

7. *Takes note* of decision 6/CP.20 concerning the request of the Conference of the Parties to the Standing Committee on Finance to consider issues related to possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention;

8. *Decides* to extend to June 2017 the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund, with a view to further consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol of options for permanent institutional arrangements for the secretariat and trustee, including via an open and competitive bidding process and on the basis of the cost and time frame of each option and its legal and financial implications;

9. *Requests* the Subsidiary Body for Implementation, at its forty-fourth session (May 2016), to initiate the third review of the Adaptation Fund, in accordance with the terms of reference contained in the annex to decision 2/CMP.9, or as they may be subsequently amended, and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twelfth session (November–December 2016), with a view to the review being undertaken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its thirteenth session (November–December 2017);

10. *Also requests* the Adaptation Fund Board to include in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eleventh session (November–December 2015) information on the progress made in relation to the matters referred to in paragraphs 3–6 above.



## Long-term climate finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Further recalling* decisions 4/CP.18, 1/CP.17, 2/CP.17 paragraphs 126–132, and 1/CP.16 paragraphs 2, 4 and 98–101,

1. *Takes note* of the co-chairs' report on the outcomes of the extended work programme on long-term finance;<sup>1</sup>
2. *Underlines* the urgency of implementing commitments related to financing and transfer of technology under the Convention;
3. *Recognizes* the commitment undertaken by developed country Parties to a goal of mobilizing jointly USD 100 billion annually by 2020 to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation;
4. *Further recognizes* the importance of providing clarity on the level of financial support that will be provided by developed country Parties to developing country Parties to allow for enhanced implementation of the Convention;
5. *Acknowledges* the pledges and announcements made by developed country Parties since the eighteenth session of the Conference of the Parties, including the financial contributions that have been made to the Adaptation Fund in 2013 fulfilling the Adaptation Fund Board's fundraising goal of USD 100 million;
6. *Requests* Parties to enhance their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance;
7. *Urges* developed country Parties to maintain continuity of mobilization of public climate finance at increasing levels from the fast-start finance period in line with their joint commitment to the goal of mobilizing USD 100 billion per year by 2020 from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources, in the context of meaningful mitigation actions and transparency of implementation;

---

<sup>1</sup> FCCC/CP/2013/7.

8. *Calls* on developed country Parties to channel a substantial share of public climate funds to adaptation activities;

9. *Recalls* that a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund;

10. *Requests* developed country Parties to prepare biennial submissions on their updated strategies and approaches for scaling up climate finance from 2014 to 2020, including any available information on quantitative and qualitative elements of a pathway, on the following:

(a) Information to increase clarity on the expected levels of climate finance mobilized from different sources;

(b) Information on their policies, programmes and priorities;

(c) Information on actions and plans to mobilize additional finance;

(d) Information on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change;

(e) Information on steps taken to enhance their enabling environments, following on from the report of the co-chairs of the extended work programme on long-term finance;

11. *Requests* the Standing Committee on Finance, in the context of the preparation of its biennial assessment and overview of climate finance flows, to consider ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance, and to include the results in its annual report to the Conference of the Parties;

12. *Decides* to continue deliberations on long-term finance and requests the secretariat to organize in-session workshops on, inter alia, strategies and approaches for scaling up climate finance referred to in paragraph 10, cooperation on enhanced enabling environments and support for readiness activities, and on needs for support to developing countries, from 2014 to 2020. Further requests the secretariat to prepare a summary of the workshops for consideration by the Conference of the Parties and to inform the ministerial dialogue referred to in paragraph 13;

13. *Decides* to convene a biennial high level ministerial dialogue on climate finance starting in 2014 and ending in 2020 and informed, inter alia, by the workshops referred to in paragraph 12 and the submissions referred to in paragraph 10. Further requests the presidency of the Conference of the Parties to summarize the deliberations of the dialogue.

---

## **Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Taking into account* decision 11/CP.1,

*Recalling* decisions 1/CP.16, 3/CP.17, 1/CP.18, 6/CP.18 and 7/CP.18,

1. *Takes note with appreciation* of the second annual report of the Board of the Green Climate Fund to the Conference of the Parties as contained in document FCCC/CP/2013/6;
2. *Welcomes* the Board's decisions to establish the independent secretariat and the selection of Ms. H la Cheikhrouhou as the Executive Director of the independent secretariat of the Green Climate Fund;
3. *Further welcomes* the conclusion and entry into force of the Headquarters Agreement between the Green Climate Fund and the Government of the Republic of Korea;
4. *Takes note* of the termination of the interim arrangements for the operation of the interim secretariat and expresses its appreciation to the UNFCCC and GEF secretariats for supporting the interim secretariat;
5. *Welcomes* the adoption of the third administrative budget of the Green Climate Fund, which will enable the establishment of the independent secretariat in Songdo, Incheon City, Republic of Korea;
6. *Notes* the progress made by the Board to ensure the operationalization of the Green Climate Fund, including the adoption of its 2014 workplan and the resource mobilization process;

### **A. Initial guidance to the Green Climate Fund**

7. *Confirms* that the provisions contained in Article 11 of the Convention, and decisions 11/CP.1, 1/CP.16 and 3/CP.17, and the



governing instrument for the Green Climate Fund, and decision 6/CP.18, together with 5/CP.19, constitute the initial guidance for the Green Climate Fund;

8. *Decides* to adopt the following initial guidance on policies, programme priorities and eligibility criteria for the Green Climate Fund, as an operating entity of the financial mechanism of the Convention;

9. *Requests* the Green Climate Fund:

(a) To balance the allocation of resources between adaptation and mitigation change;

(b) To pursue a country-driven approach;

(c) In allocating resources for adaptation, the Green Climate Fund will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change;

10. *Confirms* that all developing country Parties to the Convention are eligible to receive resources from the Green Climate Fund;

## **B. Additional guidance to the Green Climate Fund**

11. *Stresses* the need to achieve full operationalization of the Green Climate Fund, and in this regard urges the Board to an expeditious implementation of its 2014 workplan, including elements of decision 6/CP.18;

12. *Urges* the Board to finalize as soon as possible the essential requirements to receive, manage, programme and disburse financial resources in line with the approved workplan of the Board so that the Green Climate Fund can commence its initial resource mobilization process as soon as possible and transition subsequently to a formal replenishment process;

13. *Calls* for ambitious and timely contributions by developed countries to enable an effective operationalization, including for readiness and preparatory support of the Green Climate Fund that reflects the needs and challenges of developing countries in addressing climate change in the context of preparing, by the twentieth session of the Conference of the Parties (December 2014), the initial resource mobilization process described in paragraph 12 above;

14. *Underlines* that initial resource mobilization should reach a very significant scale that reflects the needs and challenges of developing countries in addressing climate change;

15. *Invites* financial inputs from a variety of other sources, public and private, including alternative sources, for the Board's initial resource mobilization process;

16. *Requests* the Board of the Green Climate Fund:

(a) To consider important lessons learned on country-driven processes from other existing funds;

(b) To ensure that in its consideration and finalization of the Green Climate Fund's access modalities, the Board takes into account the institutions already accredited by relevant institutions covered by the Board's agreement on the best practice fiduciary standards and principles and environmental and social standards;

(c) To report to the Conference of Parties at its twentieth session on progress made in the implementation of this decision, as well as the implementation of decision 6/CP.18;

17. *Invites* Parties to submit to the secretariat annually, and no later than 10 weeks prior to the subsequent session of the Conference of the Parties, their views and recommendations in writing on the elements to be taken into account in developing guidance to the operating entities of the financial mechanism of the Convention.

## **Arrangements between the Conference of the Parties and the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* Article 11 of the Convention,

*Also recalling* decisions 1/CP.16 and 3/CP.17, which, inter alia, designated the Green Climate Fund as an operating entity of the financial mechanism of the Convention and requested the Conference of the Parties to conclude arrangements with the Green Climate Fund Board to ensure that it is accountable to and functions under the guidance of the Conference of the Parties to support projects, programmes, policies and other activities in developing country Parties using thematic funding windows,

*Further recalling* decision 7/CP.18, which requested the Standing Committee on Finance and the Green Climate Fund Board to develop arrangements between the Conference of the Parties and the Green Climate Fund in accordance with the governing instrument for the Green Climate Fund, as contained in the annex to decision 3/CP.17, and Article 11, paragraph 3, of the Convention for agreement by the Board and subsequent agreement by the Conference of the Parties at its nineteenth session,

*Recalling* paragraph 6 of the governing instrument for the Green Climate Fund,

1. *Takes note* of the report of the Standing Committee on Finance,<sup>1</sup> which contains the draft arrangements that were presented to the Board of the Green Climate Fund;
2. *Confirms* that the arrangements between the Conference of the Parties and the Green Climate Fund shall be in conformity with the governing instrument for the Green Climate Fund, as contained in decision 3/CP.17, and Article 11, paragraph 3, of the Convention;
3. *Notes* that the Board of the Green Climate Fund has approved the arrangements, as transmitted by the Standing Committee on Finance, contained in annex XXI to the report on the 5<sup>th</sup> meeting of

---

<sup>1</sup> FCCC/CP/2013/8.

the Green Climate Fund Board, as contained in the report of the Green Climate Fund;<sup>2</sup>

4. *Agrees* to the arrangements between the Conference of the Parties and the Green Climate Fund contained in the annex, thereby bringing the arrangements into force;

5. *Requests* the Board of the Green Climate Fund to report on the implementation of the arrangements referred to in paragraph 4 above in its annual reports to the Conference of the Parties, starting at the twentieth session of the Conference of the Parties (December 2014).

---

---

<sup>2</sup> FCCC/CP/2013/6.

# **Annex**

## **Arrangements between the Conference of the Parties and the Green Climate Fund**

### **Preamble**

*Recalling* Conference of the Parties (COP) decisions 1/CP.16, paragraph 102, and 3/CP.17, paragraphs 3–5, as well as the governing instrument for the Green Climate Fund (GCF), paragraphs 3–6.

*Recognizing* that the provisions contained in Article 11, paragraph 3, of the Convention, decision 3/CP.17 and the governing instrument for the GCF contained in the annex to 3/CP.17 form the basis for arrangements between the COP and the GCF.

The Conference of the Parties (hereinafter referred to as “the COP”) to the United Nations Framework Convention on Climate Change (hereinafter referred to as “the Convention”) and the Green Climate Fund (hereinafter referred to as the “GCF”) hereby reach the following arrangements:

### **Purpose of these arrangements**

1. The purpose of these arrangements is to set out the working relationship between the COP and the GCF to ensure that the GCF is accountable to and functions under the guidance of the COP to support projects, programmes, policies and other activities in developing country Parties.

### **Determination and communication of guidance from the Conference of the Parties**

2. The GCF shall receive guidance from the COP, including on matters related to policies, programme priorities and eligibility criteria.

3. The COP will, after each of its sessions, communicate guidance to the GCF.

4. The COP will provide guidance based, inter alia, upon a thorough consideration of the annual reports of the GCF.

### **Conformity with guidance of the Conference of the Parties**

5. The GCF will take appropriate actions in response to the guidance received and will report on such actions taken.

## **Reconsideration of funding decisions**

6. These arrangements reaffirm that the Board of the GCF has full responsibility for funding decisions.

7. The Board of the GCF has been mandated by paragraph 69 of the governing instrument to establish an independent redress mechanism that will report to the Board.

8. The independent redress mechanism will be open, transparent and easily accessible and will address, inter alia, the reconsideration of funding decisions.

9. The GCF will include in its annual reports to the COP the recommendations of its independent redress mechanism, and any action taken by the Board of the GCF in response to those recommendations. The COP may provide additional guidance to clarify policies, programme priorities and eligibility criteria as they impact funding decisions.

10. Further modalities for the reconsideration of funding decisions as per Article 11, paragraph 3(b), will be developed appropriately once the independent redress mechanism is operational.

## **Reports from the Green Climate Fund to the Conference of the Parties**

11. The GCF is to submit annual reports to the COP for its consideration. Such annual reports shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which COP guidance has been adhered to by the Board of the GCF.

12. The GCF will include in its reports a synthesis of the different activities under implementation and a listing of the activities approved, as well as a financial report.

13. The GCF will also include in its reports information on all activities financed by the GCF.

14. The GCF will indicate in its reports actions it has undertaken to balance the allocation of resources between adaptation and mitigation activities under the Fund.

15. The GCF will also include information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate.

16. The COP may request additional information from the GCF via its annual guidance.

### **Determination and periodic review of funding necessary and available**

17. In accordance with Article 11, paragraph 3(d), of the Convention, which calls for arrangements to determine in a predictable and identifiable manner the amount of funding necessary and available for the implementation of the Convention, and the conditions under which that amount shall be periodically reviewed:

a) The COP will make assessments of the amount of funds that are necessary to assist developing countries in implementing the Convention, in order to help inform resource mobilization by the GCF; and

b) The GCF is to provide information on resource mobilization and the available financial resources, including any replenishment processes, in its annual reports to the COP.

### **Cooperation between secretariats and representation in meetings of the governing bodies**

18. The secretariat of the GCF and the secretariat of the Convention may, as necessary and subject to the direction of the Board of the GCF and the COP, respectively, cooperate and exchange views on matters relevant to the operation of the financial mechanism of the Convention, including implementation of these arrangements between the COP and the GCF, coordination with other international financing channels and participation of representatives at relevant meetings of the bodies.

19. The participation of representatives of the secretariat of the Convention in the meetings of the GCF, and of the secretariat of the GCF in the sessions of the COP, is to be governed by the rules of procedure of the GCF and the COP, respectively.

### **Review and evaluation of the financial mechanism**

20. The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention.

21. The COP may commission an independent assessment of the overall performance of the GCF, including of the performance of the Board of the GCF, to coincide with periodic reviews of the financial mechanism.

22. The COP will invite feedback from the GCF in advance of making any conclusions or findings from the review or evaluation of the financial mechanism.

**Review of these arrangements**

23. These arrangements can only be modified in writing by agreement between the COP and the GCF.

24. These arrangements shall come into force upon agreement by the GCF and subsequent agreement by the COP.

25. These arrangements may only be terminated in writing by agreement between the COP and the GCF.

---



## **Report of the Global Environment Facility to the Conference of the Parties and additional guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Recalling* decisions 12/CP.2, 3/CP.16, 5/CP.16, 7/CP.16, 11/CP.17 and 9/CP.18,

*Also recalling* decision 5/CP.7, paragraph 7(a)(iv),

*Taking note with appreciation* of the annual report of the Global Environment Facility to the Conference of the Parties,<sup>1</sup>

*Noting* the recommendations of the Standing Committee on Finance contained in its report to the Conference of the Parties with regard to the provision of draft guidance to the Global Environment Facility,<sup>2</sup>

1. *Welcomes* the inclusion of information on mitigation impacts in the report of the Global Environment Facility to the Conference of the Parties;
2. *Also welcomes* the pledges and contributions made to the Least Developed Countries Fund and the Special Climate Change Fund and calls for continued and increased support for these funds;
3. *Requests* the Global Environment Facility to clarify the concept of co-financing and its application in the projects and programmes of the Global Environment Facility;
4. *Also requests* the Global Environment Facility to further specify the steps that it has undertaken in response to the request contained in decision 9/CP.18, paragraph 1(c);
5. *Further requests* the Global Environment Facility to include, in its report to the Conference of the Parties at its twentieth session (December 2014), information on the modalities that it has established in response to paragraph 5 of the memorandum of

---

<sup>1</sup> FCCC/CP/2013/3 and Add.1 and 2.

<sup>2</sup> FCCC/CP/2013/8.

understanding<sup>3</sup> between the Conference of the Parties and the Council of the Global Environment Facility;

6. *Welcomes* the ongoing work of the Global Environment Facility on defining the focal area strategies pertaining to climate change for the sixth replenishment period as well as the development of the draft Global Environment Facility 2020 strategy;

7. *Also welcomes* the efforts of the Global Environment Facility to promote synergies between its focal areas, including through multifocal programmes and projects;

8. *Emphasizes* the need for the Global Environment Facility to consider lessons learned from past replenishment periods in its deliberations on the strategy for the sixth replenishment in order to continue to increase the effectiveness of its operations;

9. *Calls upon* developed country Parties, and *invites* other Parties that make voluntary financial contributions to the Global Environment Facility, to ensure a robust sixth replenishment in order to assist in providing adequate and predictable funding;

10. *Requests* the Global Environment Facility to give due consideration in its sixth replenishment period to funding for small island developing States and the least developed countries in order to enable them to address their urgent needs and to comply with their obligations under the Convention;

11. *Also requests* the Global Environment Facility to support, within its mandate, the implementation of country-driven projects identified in the technology needs assessments prepared by developing country Parties;

12. *Encourages* the Global Environment Facility to continue with its voluntary National Portfolio Formulation Exercise, which has been proved to enhance coordination and coherence at the national level;

13. *Invites* developing country Parties that wish to do so to apply for the National Portfolio Formulation Exercise before the start of the sixth replenishment period of the Global Environment Facility;

14. *Encourages* the Global Environment Facility to finalize the accreditation of new project agencies and assess the possibilities for further expanding the direct access modality;

---

<sup>3</sup> FCCC/CP/1996/15/Add.1.

15. *Invites* the Global Environment Facility and all of its implementing agencies and recipient countries to continue to work together to improve institutional arrangements, giving special consideration to expediting the project cycle;

16. *Encourages* the Global Environment Facility to continue to increase the overall transparency and openness of its operations;

17. *Also encourages* the Global Environment Facility to strengthen its collaborative efforts with the Standing Committee on Finance;

18. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided in this decision.

---

## **Report of the Standing Committee on Finance to the Conference of the Parties**

*The Conference of the Parties,*

*Recalling* decision 2/CP.17, paragraph 120,

*Also recalling* decision 5/CP.18,

1. *Notes with appreciation* the report of the Standing Committee on Finance;<sup>1</sup>
2. *Welcomes* the continued transparency and openness in the conduct of the work of the Standing Committee on Finance;
3. *Takes note* of the report on the initial forum of the Standing Committee on Finance;<sup>161</sup>
4. *Looks forward* to the second forum, to be held in 2014;
5. *Invites* the Standing Committee on Finance to consider focusing its second forum on mobilizing finance for adaptation from both public and private sectors;
6. *Endorses* the workplan of the Standing Committee on Finance for 2014–2015;<sup>162</sup>
7. *Requests* the Standing Committee on Finance to implement that workplan;
8. *Takes note* of the information provided by the Standing Committee on Finance on the workplan for the biennial assessment and overview of climate finance flows, to be conducted in 2014;
9. *Invites* the Standing Committee on Finance to consider ways to increase its work on the measurement, reporting and verification of support beyond the biennial assessment referred to in paragraph 8 above in accordance with its workplan for 2014–2015 and its mandates;
10. *Calls on* the Standing Committee on Finance to further enhance its linkages with the Subsidiary Body for Implementation

---

<sup>1</sup> FCCC/CP/2013/8.

<sup>2</sup> FCCC/CP/2013/8, annex II.

<sup>3</sup> FCCC/CP/2013/8, annex VIII.

and the thematic bodies of the Convention as mandated by decision 2/CP.17, paragraph 121(b);

11. *Requests* the Standing Committee on Finance to consider, in its work on coherence and coordination, *inter alia*, the issue of financing for forests, taking into account different policy approaches;

12. *Also requests* the Standing Committee on Finance to include in its annual report to the Conference of the Parties information on progress made in the implementation of its workplan for 2014–2015 and the guidance provided in this decision.

---

## **Fifth Review of the Financial Mechanism**

*The Conference of the Parties,*

*Recalling* decisions 3/CP.4, 2/CP.12, 6/CP.13, 2/CP.16 and 2/CP.17,

*Taking into account* decision 8/CP.18,

1. *Welcomes* the draft updated guidelines provided by the Standing Committee on Finance as contained in its report to the Conference of the Parties;<sup>1</sup>
2. *Decides* to adopt the updated guidelines annexed to this decision;
3. *Requests* the Standing Committee on Finance to continue to provide expert input to the fifth review of the financial mechanism, with a view to the review being finalized by the Conference of the Parties at its twentieth session (December 2014).

---

---

<sup>1</sup> FCCC/CP/2013/8, annex IV.

## **Annex**

### **Updated guidelines for the fifth review of the financial mechanism**

#### **A. Objectives**

1. In accordance with Article 11, paragraph 4, of the Convention, the objectives of the fifth review of the financial mechanism will be as follows:

(a) To review the financial mechanism and take appropriate measures regarding:

- (i) Its conformity with the provisions of Article 11 of the Convention and the guidance provided by the Conference of the Parties (COP);
- (ii) The effectiveness of the activities it funds in implementing the Convention;
- (iii) Its effectiveness in providing financial resources on a grant or concessional basis, including for the transfer of technology, for the implementation of the Convention's objective on the basis of the guidance provided by the COP;
- (iv) Its effectiveness in providing resources to developing country Parties under Article 4, paragraph 3, of the Convention;
- (v) The effectiveness of access modalities for developing countries;

(b) To examine how to improve consistency and complementarity of the financial mechanism with other sources of investment and financial flows, including:

- (i) Examining relevant sources, channels and means of financing, as indicated in Article 11, paragraph 5, of the Convention, that would assist developing country Parties to contribute to the achievement of the objective of the Convention, in particular innovative means of financing, such as for the development of endogenous technologies in developing countries;

- (ii) Examining the role of the financial mechanism in scaling up the level of resources;
- (iii) Assessing enabling environments for catalysing investment in, and the transfer of, environmentally sound technologies that mitigate greenhouse gas emissions, and for enhancing resilience to climate change.

## **B. Sources of information**

2. The review shall draw upon, inter alia, the following sources of information:

- (a) Information provided by Parties on their experiences regarding the financial mechanism support provided and received in accordance with COP decisions;
- (b) Annual reviews by the COP on the conformity of the activities of the financial mechanism with the guidance provided by the COP;
- (c) The annual report of the Standing Committee on Finance to the COP on its activities and other relevant information documents regarding the Standing Committee on Finance;
- (d) The annual report of the Global Environment Facility (GEF) to the COP on its activities as an operating entity of the financial mechanism, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy and information documents;
- (e) The reports from the GEF Independent Evaluation Office;
- (f) The annual report of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the financial mechanism and other relevant GCF policy and information documents;
- (g) The report of the Adaptation Fund Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the outcomes of the initial review of the Adaptation Fund;



- (h) The outcomes and reports from the United Nations processes, relevant bilateral and multilateral funding institutions and other intergovernmental and non-governmental organizations dealing with climate change financing;
- (i) Relevant reports on private-sector financing and investment for climate change activities;
- (j) Technical papers and reports prepared by the secretariat at the request of the COP, which are relevant to the financial needs of developing country Parties under the Convention;
- (k) Information contained in the national communications of Parties to the Convention, technology needs assessments and national adaptation programmes of action;
- (l) Information on fast-start finance provided by developed country Parties and other information on fast-start finance;
- (m) The reports on the work programme on long-term finance;
- (n) The report on the workshops of the work programme under decisions 1/CP.16 and 2/CP.17 on policy approaches and positive incentives;
- (o) The reports of the Least Developed Countries Expert Group and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

## **C. Criteria**

3. The effectiveness of the financial mechanism will be assessed taking into account the following:

- (a) The transparency of decision-making processes of the operating entities of the financial mechanism;
- (b) The level of stakeholder involvement;
- (c) The extent to which the financial mechanism is contributing to gender-sensitive approaches;
- (d) The adequacy, predictability, accessibility and timely disbursement of funds for activities in developing country Parties;

(e) The responsiveness and efficiency of the GEF project cycle and expedited procedures, including its operational strategy, as they relate to climate change;

(f) The amount of resources provided to developing country Parties, including financing for technical assistance and investment projects, and the mechanisms for country allocation, as well as the results and impacts achieved by the resources provided;

(g) The amount of finance leveraged and modalities of co-financing when applicable;

(h) The extent to which the resources provided are contributing to achieving the objectives of the Convention;

(i) The sustainability of funded programmes, projects and operations in developing country Parties;

(j) The extent to which the financial mechanism is contributing to country ownership of programmes and projects.

## Report of the Adaptation Fund Board

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Also recalling* previous decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the report of the Adaptation Fund Board,

*Further recalling* decision 1/CMP.8,

*Taking note of* the report of the Adaptation Fund Board,<sup>1</sup>

*Noting with concern* the level of market prices of certified emission reductions and the expected impact on the availability of funding from the Adaptation Fund,

*Taking note of* the information on the status of the resources of the Adaptation Fund,<sup>2</sup>

1. *Adopts* the amendment to 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 on an interim basis;<sup>3</sup>

2. *Notes* the following information, actions and decisions relating to the Adaptation Fund Board in accordance with decision 1/CMP.4, paragraph 10:

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

(b) Cumulative project and programme approvals reaching USD 184 million;

(c) The funds available for projects and programmes implemented by multilateral implementing entities that reached the 50 per cent cap established by Adaptation Fund Board decision B.12/9;

---

<sup>1</sup> FCCC/KP/CMP/2013/2.

<sup>2</sup> FCCC/SBI/2013/INF.2.

<sup>3</sup> FCCC/KP/CMP/2013/2, annex I.

(d) The establishment of a pipeline of eight projects and programmes recommended for approval by the Project and Programme Review Committee for which no funds were available;

3. *Also notes* that cumulative receipts into the Adaptation Fund Trust Fund reached USD 324.4 million, with USD 188.3 million coming from the monetization of certified emission reductions and USD 136.1 million from additional contributions;

4. *Further notes* that funds available for new funding approvals amounted to USD 115.8 million as at 31 July 2013 and that potential cumulative additional resources from the monetization of certified emission reductions up to the end of 2020 are estimated at USD 15–30 million;<sup>4</sup>

5. *Notes with concern* issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund given the current prices of certified emission reductions;

6. *Takes note with appreciation* of the continued efforts of the Adaptation Fund Board to promote the accreditation of national implementing entities and direct access to the resources of the Adaptation Fund;

7. *Invites* the Adaptation Fund Board to provide, in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014), its views on the matters included in the terms of reference for the second review of the Adaptation Fund annexed to decision 2/CMP.9, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fortieth session (June 2014);

8. *Decides* that an account held in the clean development mechanism registry for the Adaptation Fund shall be the recipient of the 2 per cent share of proceeds levied in accordance with decision 1/CMP.8, paragraph 21;

9. *Requests* the Adaptation Fund Board to consider the arrangements for the monetization of the 2 per cent share of proceeds referred to in paragraph 8 above, including the appropriate entity or entities to monetize the share of proceeds, and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its tenth session;

---

<sup>4</sup> Estimate based on current certified emission reduction prices and estimated certified emission reduction issuance levels.

10. *Also requests* the Adaptation Fund Board to develop and approve the legal arrangements with the trustee regarding the services for the 2 per cent share of proceeds referred to in paragraph 8 above for approval by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

11. *Takes note of* the Adaptation Fund Board's fundraising strategy and campaign to raise USD 100 million by the end of 2013, as detailed in the report of the Adaptation Fund Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session;

12. *Continues to encourage* Parties included in Annex I to the Convention and international organizations to provide funding to support the Adaptation Fund Board's goal of the fundraising strategy and campaign referred to in paragraph 11 above and to scale up funding, with a view to reaching the Board's fundraising goal from resources that are additional to the share of proceeds from clean development mechanism project activities, the first international transfers of assigned amount units and the issuance of emission reduction units for activities under Article 6 of the Kyoto Protocol;

13. *Welcomes* the financial contributions that have been made to the Adaptation Fund in 2013 by the Governments of Sweden and the Brussels-Capital Region in Belgium, and the pledges of contributions to the Adaptation Fund made by the Governments of Austria, Belgium, Finland, France, Germany, Norway and Switzerland in accordance with decision 4/CMP.5, paragraph 9.

---

Decision 2/CMP.9  
(FCCC/KP/CMP/2013/9/Add.1)

## **Second Review of the Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 1/CMP.3 and 6/CMP.6 on the three-year review cycle for the Adaptation Fund and the annex to decision 6/CMP.6,

*Also recalling* decision 4/CMP.8, paragraph 10, requesting the Subsidiary Body for Implementation to initiate the second review of the Adaptation Fund in accordance with the terms of reference contained in the annex to decision 6/CMP.6, or as these guidelines may be subsequently amended,

1. *Decides* that the review will be undertaken in accordance with the terms of reference contained in the annex to this decision;
2. *Requests* the Adaptation Fund Board to make available in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014) information on the financial status of the Adaptation Fund, with a view to finalizing the second review of the Adaptation Fund at the same session;
3. *Invites* Parties and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and implementing entities accredited by the Adaptation Fund Board to submit to the secretariat, by 26 March 2014, their views on the review of the Adaptation Fund based on the terms of reference contained in the annex to this decision;
4. *Requests* the secretariat to make available on the UNFCCC website the views referred to in paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its fortieth session (June 2014);
5. *Also requests* the Subsidiary Body for Implementation to consider the second review of the Adaptation Fund at its fortieth session, with a view to recommending a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session;

6. *Further requests* the secretariat, subject to the availability of financial resources, in collaboration with the Adaptation Fund Board secretariat, to prepare a technical paper based on the terms of reference contained in the annex to this decision, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fortieth session, for consideration by the Subsidiary Body for Implementation at its forty-first session (December 2014).

# **Annex**

## **Terms of reference for the second review of the Adaptation Fund**

### **I. Objective**

1. The objective of the second review is to ensure the effectiveness, sustainability and adequacy of the operation of the Fund, with a view to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) adopting an appropriate decision on this matter at CMP 10.

### **II. Scope**

2. The scope of the second review of the Adaptation Fund will cover the progress made to date and lessons learned in the operationalization and implementation of the Fund, and will focus on, inter alia:

(a) The provision of sustainable, predictable and adequate financial resources, including the potential diversification of revenue streams, to fund concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of eligible Parties;

(b) Lessons learned from the application of the access modalities of the Adaptation Fund;

(c) The institutional linkages and relations, as appropriate, between the Adaptation Fund and other institutions, in particular institutions under the Convention;

(d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.



### III. Sources of information

3. The review shall draw upon, inter alia, the following sources of information:

(a) Submissions from Parties to the Kyoto Protocol, observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund, and implementing entities accredited by the Adaptation Fund Board on their experiences regarding the Adaptation Fund;

(b) The annual report of the Global Environment Facility (GEF) to the Conference of the Parties (COP) on its activities as an operating entity of the financial mechanism of the Convention, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy, information and evaluation documents;

(c) The annual report of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the financial mechanism of the Convention and other relevant GCF policy and information documents;

(d) The report of the Adaptation Fund Board to the CMP and the outcomes of the initial review of the Adaptation Fund;

(e) The outcomes and reports from the United Nations processes, relevant bilateral and multilateral funding institutions and other intergovernmental and non-governmental organizations dealing with climate change financing;

(f) The reports on the forum of the Standing Committee on Finance;

(g) The technical paper prepared by the secretariat upon the request of the CMP on steps and time frames to conduct an open and competitive bidding process for selecting host institutions for entities under the Convention;<sup>1</sup>

(h) The reports of the work programme on long-term finance;

(i) The reports of the Least Developed Countries Expert Group and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

---

<sup>1</sup> FCCC/TP/2013/1.



## **Agreed outcome pursuant to the Bali Action Plan**

### **V. Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation**

*The Conference of the Parties,*

*Recalling* Article 4 of the Convention,

*Also recalling* decisions 1/CP.16, 2/CP.17 and 3/CP.17,

*Acknowledging* the delivery of fast-start finance by developed country Parties to fulfil their collective commitment of USD 30 billion, and *inviting* developed country Parties to expedite its full disbursement,

*Also acknowledging* the need to scale up climate finance,

*Reaffirming* that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing country Parties, and that funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources,

*Acknowledging* the pledges and announcements made by several developed country Parties on the continuation of climate finance post 2012;

63. *Urges* additional developed country Parties to announce climate finance pledges when their financial circumstances permit;

64. *Reiterates* that a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund, and the request to the Board of the Green Climate Fund to balance the allocation of the resources of the Green Climate Fund between adaptation and mitigation activities;

65. *Calls on* developed country Parties to channel a substantial share of public funds to adaptation activities;

66. *Urges* all developed country Parties to scale up climate finance from a wide variety of sources, public and private, bilateral

and multilateral, including alternative sources, to the joint goal of mobilizing USD 100 billion per year by 2020;

67. *Invites* developed country Parties to submit, by the nineteenth session of the Conference of the Parties, information on their strategies and approaches for mobilizing scaled-up climate finance to USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation;

68. *Encourages* developed country Parties to further increase their efforts to provide resources of at least to the average annual level of the fast-start finance period for 2013-2015;

69. *Decides* to extend the work programme on long-term finance for one year to the end of 2013, with the aim of informing developed country Parties in their efforts to identify pathways for mobilizing the scaling up of climate finance to USD 100 billion per year by 2020 from public, private and alternative sources in the context of meaningful mitigation actions and transparency on implementation, and informing Parties in enhancing their enabling environments and policy frameworks to facilitate the mobilisation and effective deployment of climate finance in developing countries;

70. *Looks forward* to the implementation of the work programme of the Standing Committee, including the creation of a climate finance forum which will enable all Parties and stakeholders to, inter alia, exchange ideas on scaling up climate finance;

71. *Requests* the Standing Committee, in initiating the first biennial assessment and overview of climate finance flows, to take into account relevant work by other bodies and entities on the measurement, reporting and verification of support and the tracking of climate finance;

72. *Requests* the Board of the Green Climate Fund to expeditiously implement its 2013 workplan, with a view to making the Green Climate Fund operational as soon as possible to enable an early and adequate replenishment process;

73. *Agrees* to consider the progress made in the mobilization of long-term finance at its nineteenth session, through an in-session high-level ministerial dialogue under the Conference of the Parties on efforts being undertaken by developed country Parties to scale up the mobilization of climate finance after 2012, informed by inputs from Parties, technical bodies and processes under the Convention, as well as the outcomes of the extended work programme on long-term finance;

Decision 1/CP.18  
(FCCC/CP/2012/8/Add.3)

## **Agreed outcome pursuant to the Bali Action Plan**

*The Conference of the Parties,*

*Recalling* decisions 1/CP.13 (Bali Action Plan), 1/CP.15, 1/CP.16 and 2/CP.17,

*Acknowledging* the significant achievements of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention towards enabling the full, effective and sustained implementation of the Convention,

*Welcoming* the new institutional arrangements and processes established as a result of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention and the progress made in making them operational and effective,

*Determined* to fully implement the agreements reached and further enhance long-term cooperative action under the Convention in order to achieve its ultimate objective,

*Welcoming* decision 1/CMP.8 on the Doha Amendment to the Kyoto Protocol pursuant to its Article 3, paragraph 9, as well as decision 2/CP.18 on Advancing the Durban Platform,

*Noting* that this decision, together with decisions adopted by the Conference of the Parties at its sixteenth and seventeenth sessions, constitutes the agreed outcome pursuant to decision 1/CP.13,

## **VI. Enhanced action on capacity-building**

*Recalling* decisions 2/CP.7, 2/CP.10, 4/CP.12, 1/CP.16, 2/CP.17 and 13/CP.17,

*Recognizing* the success of the first meeting of the Durban Forum for in-depth discussion on capacity-building, held during the thirty-sixth session of the Subsidiary Body for Implementation,

*Also recognizing* the important role that the Durban Forum plays in enhancing the monitoring and review of the effectiveness of capacity-building,

74. *Decides* that the second meeting of the Durban Forum, to be held during the thirty-eighth session of the Subsidiary Body for Implementation, shall explore potential ways to further enhance the implementation of capacity-building at the national level;

75. *Invites* Parties to submit to the secretariat, by 18 February 2013, the following:

(a) Information on the activities that they have undertaken pursuant to decisions 2/CP.7, 2/CP.10, 1/CP.16 and 2/CP.17, including, inter alia, information on needs and gaps, experiences and lessons learned;

(b) Their views on specific issues to be considered at the second meeting of the Durban Forum;

(c) Their views on the potential enhancement of the organization of the Durban Forum;

76. *Also invites* intergovernmental and non-governmental organizations and the private sector to submit to the secretariat, by 18 February 2013, information on activities undertaken in support of the implementation of the framework for capacity-building in developing countries established under decision 2/CP.7, including their experiences and lessons learned;

77. *Requests* the Subsidiary Body for Implementation:

(a) To take into account the information and views contained in the submissions referred to in paragraph 75 above in organizing the second and subsequent meetings of the Durban Forum

(b) To explore potential ways to further enhance the implementation of capacity-building at the national level, including through the Durban Forum;

78. *Also requests* the secretariat to continue to prepare the reports referred to in decision 2/CP.7, paragraph 9(c), and decision 4/CP.12, paragraph 1(c), as well as the compilation and synthesis reports referred to in decision 2/CP.17, paragraphs 146 and 150, and to make the reports available to the Subsidiary Body for Implementation at its sessions coinciding with the meetings of the Durban Forum, in order to facilitate the discussions at those meetings;

*9th plenary meeting  
7 December 2012*

## **Work programme on long-term finance**

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decisions 1/CP.13 (Bali Action Plan), 1/CP.16 and 2/CP.17,

*Recognizing* the contribution of the work programme on long-term finance to the ongoing efforts to scale up the mobilization of climate change finance after 2012 pursuant to decision 2/CP.17,

1. *Takes note* of the report by the co-chairs on the workshops of the work programme on long-term finance;<sup>1</sup>
2. *Decides* to extend the work programme on long-term finance for one year to the end of 2013, with the aim of informing developed country Parties in their efforts to identify pathways for mobilizing the scaling up of climate finance to USD 100 billion per year by 2020 from public, private and alternative sources in the context of meaningful mitigation actions and transparency on implementation, and informing Parties in enhancing their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance in developing countries;
3. *Invites* the President of the Conference of the Parties to appoint two co-chairs, one from a developing country Party and one from a developed country Party, for the work programme mentioned in paragraph 2 above;
4. *Requests* the co-chairs to report back to the Conference of the Parties at its nineteenth session on the outcomes of the work programme;
5. *Invites* Parties and the thematic and expert bodies under the Convention to submit to the secretariat, by 21 March 2013, their views on long-term finance, taking into account the report on the workshops of the work programme on long-term finance, with a view to the secretariat preparing an information document for consideration by the co-chairs of the work programme;

---

<sup>1</sup> FCCC/CP/2012/3.

6. *Requests* the Standing Committee to support the implementation of the work programme by providing expert inputs;

7. *Decides* that the work programme on long-term finance shall be open and transparent;

8. *Agrees* to continue the existing processes within the Convention for assessing and reviewing the needs of developing country Parties for financial resources to address climate change and its adverse effects, including the identification of options for the mobilization of these resources, and the adequacy, predictability, sustainability and accessibility of these resources.



## Report of the Standing Committee

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decision 2/CP.17, paragraph 120, in which it was decided that the Standing Committee shall report and make recommendations to the Conference of the Parties, for its consideration, at each ordinary session of the Conference of the Parties, on all aspects of its work,

1. *Welcomes* the operationalization of the Standing Committee in accordance with decision 2/CP.17, paragraphs 120–125, and the progress achieved by the Standing Committee;
2. *Notes with appreciation* the report of the Standing Committee on the outcomes of its two meetings in 2012,<sup>1</sup> including on the elaboration of its working modalities, its work programme for 2013–2015, including the organization of the forum of the Standing Committee, and its recommendations regarding guidance to the operating entities of the financial mechanism of the Convention;
3. *Endorses* the work programme of the Standing Committee for 2013–2015, contained in annex II to the report of the Standing Committee;
4. *Welcomes* the work on the forum of the Standing Committee and encourages the Standing Committee to facilitate the participation of the private sector, financial institutions and academia in the forum;
5. *Requests* the Standing Committee to report on the forum in its report to the Conference of the Parties;
6. *Adopts* the revised composition and working modalities of the Standing Committee as contained in annex IV to the report of the Standing Committee;
7. *Decides* that the Chair and Vice-Chair of the Standing Committee shall serve as Co-Chairs of the Standing Committee, effective from the first meeting of the Standing Committee in 2013;

---

<sup>1</sup> FCCC/CP/2012/4.

8. *Welcomes* the financial contributions provided by the European Union and the Government of Norway to support the work of the Standing Committee;
  9. *Decides* that the name of the Standing Committee shall be changed to the Standing Committee on Finance;
  10. *Invites* developed country Parties to submit to the secretariat, by May 2014, information on the appropriate methodologies and systems used to measure and track climate finance;
  11. *Requests* the Standing Committee, in preparing the first biennial assessment and overview of financial flows, to consider ways of strengthening methodologies for reporting climate finance;
  12. *Requests* the Standing Committee to consider the guidance provided to the Standing Committee in other decisions of the Conference of the Parties.
-

## **Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* Article 11 of the Convention,

*Also recalling* decision 1/CP.16, paragraph 102, and decision 3/CP.17, paragraphs 2–6, 12 and 13,

*Reaffirming* that a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund,

*Reiterating* the request to the Board of the Green Climate Fund to balance the allocation of the Green Climate Fund resources between adaptation and mitigation activities,

*Taking into account* the initial guidance to the operating entities of the financial mechanism of the Convention contained in decision 11/CP.1,

*Taking note* of the ongoing efforts to operationalize the Green Climate Fund,

*Welcoming* the nomination of the Board of the Green Climate Fund,

*Emphasizing* the important role of the Green Climate Fund in the climate finance architecture,

*Noting with appreciation* the progress of the Board of the Green Climate Fund in operationalizing the Green Climate Fund, the prompt set-up of the interim secretariat of the Fund by the UNFCCC and Global Environment Facility and the establishment of the Financial Intermediary Fund for the Green Climate Fund by the World Bank serving as interim trustee of the Fund,

1. *Takes note with appreciation* of the first annual report of the Board of the Green Climate Fund to the Conference of the Parties;<sup>1</sup>

---

<sup>1</sup> FCCC/CP/2012/5.

2. *Expresses* its gratitude to Germany, Mexico, Namibia, Poland, Republic of Korea and Switzerland for submitting their offers to host the Green Climate Fund;

3. *Welcomes and* endorses the consensus decision of the Board of the Green Climate Fund to select Songdo, Incheon, Republic of Korea as the host of the Green Climate Fund, on the basis of an open and transparent process;

4. *Requests* the Board of the Green Climate Fund and the Republic of Korea to conclude, in accordance with decision 3/CP.17, annex, paragraphs 7 and 8, the legal and administrative arrangements for hosting the Green Climate Fund, and to ensure that juridical personality and legal capacity are conferred to the Green Climate Fund, and the necessary privileges and immunities are granted to the Green Climate Fund and its officials in an expedited manner;

5. *Notes* the progress made by the Board of the Green Climate Fund and calls on the Board to ensure that the Green Climate Fund expeditiously implements its workplan and develops the policies, eligibility criteria and programmes of the Green Climate Fund, taking into account the guidance of the Conference of the Parties with a view to making the Green Climate Fund operational as soon as possible;

6. *Decides* to provide initial guidance to the Green Climate Fund at its nineteenth session;

7. *Requests* the Board of the Green Climate Fund, in its report to the Conference of the Parties at its nineteenth session, to report on the implementation of decision 3/CP.17 in which inter alia requested the Board:

(a) To develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the governing instrument,<sup>2</sup> in order to ensure consistency with national climate strategies and plans and a country-driven approach and to provide for effective direct and indirect public and private-sector financing by the Green Climate Fund, and to determine this procedure prior to approval of funding proposals by the Fund;

(b) To balance the allocation of the resources of the Green Climate Fund between adaptation and mitigation activities;

(c) To secure funding for the Green Climate Fund, taking into account paragraphs 29 and 30 of the governing instrument, to

---

<sup>2</sup> Decision 3/CP.17, annex.

facilitate its expeditious operationalization, and to establish the necessary policies and procedures to enable an early and adequate replenishment process;

(d) To establish the independent secretariat of the Green Climate Fund in the host country in an expedited manner as soon as possible, in accordance with paragraph 19 of the governing instrument;

(e) To select the trustee of the Green Climate Fund through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services;

(f) To initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate;

8. *Looks forward* to the appointment of the Executive Director of the Green Climate Fund in accordance with decision 3/CP.17.

9. *Reaffirms* its decision that the interim arrangements<sup>3</sup> should terminate no later than the nineteenth session of the Conference of the Parties.

10. *Requests* the Board of the Green Climate Fund to continue to include in its report to the Conference of the Parties the specific steps that it has undertaken to implement the request contained in paragraphs 5 and 7 above, as well as information on the status of financial contributions for the administrative budget of the Green Climate Fund, including the administrative costs of the Board of the Green Climate Fund and its interim secretariat;

11. *Expresses its appreciation* for the cumulative contributions of USD 4.298 million as at 4 December 2012 from the Governments of Australia, Finland, Netherlands, Republic of Korea and Sweden for the administrative budget of the Green Climate Fund to the Green Climate Fund Trust Fund established by the interim trustee of the Fund;

12. *Also expresses its appreciation* to the Governments of Denmark, Germany, Norway, Spain, Switzerland and United States of America for approving the total amount of approximately USD 1.32 million carried over from contributions made to the Transitional Committee for further use in 2012 by the interim secretariat of the Green Climate Fund;

---

<sup>3</sup> Decision 3/CP.17 paragraph 19.

13. *Welcomes* the cumulative pledges of USD 4.554 million for the administrative budget of the Green Climate Fund made by the Governments of Denmark, France, Germany, Japan, Norway and the United Kingdom of Great Britain and Northern Ireland as at 29 November 2012 and expects their early fulfilment;

14. *Requests* the Board of the Green Climate Fund to expeditiously implement its 2013 workplan, with a view to making the Green Climate Fund operational as soon as possible, which will enable an early and adequate replenishment process;

15. *Requests* the Board of the Green Climate Fund to make available its annual reports to the Conference of the Parties as early as possible, and no later than 12 weeks prior to a session of the Conference of the Parties, for consideration by Parties;

16. *Invites* Parties to submit to the secretariat annually, and no later than 10 weeks prior to the subsequent session of the Conference of the Parties, their views and recommendations in writing on the elements to be taken into account in developing guidance to the operating entities of the financial mechanism of the Convention;

17. *Requests* the secretariat to compile the submissions referred to in paragraph 16 above into a miscellaneous document for consideration by Parties in developing guidance to the operating entities of the financial mechanism of the Convention.

## **Arrangements between the Conference of the Parties and the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* Article 11, in particular its paragraph 3;

*Also recalling* decisions 1/CP.16 and 3/CP.17, which, *inter alia*, designated the Green Climate Fund as an operating entity of the financial mechanism of the Convention;

1. *Recognizes* that the provisions contained in Article 11, paragraph 3, and decision 3/CP.17 and the governing instrument of the Green Climate Fund contained in the annex to 3/CP.17 form the basis for arrangements between the Conference of the Parties and the Green Climate Fund to ensure that the Green Climate Fund is accountable to and functions under the guidance of the Conference of the Parties to support projects, programmes, policies and other activities in developing country Parties;
2. *Requests* the Standing Committee and the Board of the Green Climate Fund to develop arrangements between the Conference of the Parties and the Green Climate Fund in accordance with the governing instrument of the Green Climate Fund and Article 11, paragraph 3, for agreement by the Board and subsequent agreement by the Conference of the Parties at its nineteenth session.

Decision 8/CP.18  
(FCCC/CP/2012/8/Add.1)

## **Review of the financial mechanism**

*The Conference of the Parties,*

*Taking into account* Article 4, paragraphs 3, 4, 5, 8 and 9, Article 7 and Article 11, paragraph 4, of the Convention,

*Recalling* decisions 3/CP.4, 2/CP.12, 6/CP.13, 2/CP.16 and 3/CP.17,

1. *Decides* to initiate the fifth review of the financial mechanism, in accordance with the criteria contained in the guidelines annexed to decisions 3/CP.4 and 6/CP.13 and further guidelines that may be developed;
2. *Requests* the Standing Committee, in accordance with its mandate contained in decision 2/CP.17, paragraph 121(e), and taking into account existing guidelines and recent developments within the financial mechanism of the Convention, drawing upon information from, inter alia, fast-start finance, the work of the Green Climate Fund, taking into account its early stage of operationalization, the initial review of the Adaptation Fund and the work programme on long-term finance, to further amend the guidelines for the review of the financial mechanism, and to provide draft updated guidelines for consideration and adoption by the Conference of the Parties at its nineteenth session, with a view to finalizing the fifth review of the financial mechanism for consideration by the Conference of the Parties at its twentieth session;
3. *Also requests* the Standing Committee to provide periodic updates on the status of its work relating to the fifth review of the financial mechanism to the Subsidiary Body for Implementation for its consideration, beginning at its thirty-eighth session, with the aim of ensuring an inclusive and transparent process;
4. *Invites* Parties to submit to the secretariat by 1 March 2013 for consideration by the Standing Committee their views and recommendations on elements in the development of the further guidelines for the fifth review of the financial mechanism.



## **Report of the Global Environment Facility to the Conference of the Parties and additional guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Recalling* decisions 12/CP.2, 3/CP.16, 5/CP.16, 7/CP.16 and 11/CP.17,

*Also recalling* decision 5/CP.7, paragraph 7(a)(iv),

*Taking note with appreciation* of the annual report of the Global Environment Facility to the Conference of the Parties, which provides information on its efforts to improve the effectiveness and efficiency of the allocation of funding,<sup>1</sup>

*Noting* the recommendations of the Standing Committee with regard to the provision of draft guidance for the operating entities of the financial mechanism of the Convention,

*Taking note* of the decisions taken at the 43<sup>rd</sup> meeting of the Council of the Global Environment Facility, in particular the decision on Financial Projections for GEF-5 Programming Options,

1. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention:

(a) To make available support to non-Annex I Parties for preparing their subsequent BURs, fully taking into account decision 2/CP.17, paragraph 41(a) and (e);

(b) To provide funds for technical support for the preparation of BURs from non-Annex I Parties, similar to that provided by the National Communications Support Programme, recognizing that the costs of such technical support are not deducted from the funds provided to non-Annex I Parties for the preparation of their BURs;

(c) Through the Special Climate Change Fund, to consider how to enable activities for the preparation of the national adaptation plan process for interested developing country Parties that are not least developed country Parties, as it requested the Global Environment Facility, through the Least Developed Countries Fund, to consider how to enable activities for the preparation of the

---

<sup>1</sup> FCCC/CP/2012/6 and Add.1 and 2.

national adaptation plan process for the least developed country Parties in decision 5/CP.17, paragraph 22;<sup>2</sup>

2. *Also requests* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, in its annual report to the Conference of the Parties, to include information on the steps it has taken to implement the guidance provided in paragraph 1 above;

3. *Invites* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, to submit to the Subsidiary Body for Implementation at its thirty-eighth session, through the secretariat, information on the status of resources available for programming in its fifth replenishment period, and on any possible contingency measures regarding the allocation of resources for implementing climate change projects;

4. *Urges* contributing Parties to fulfil their financial pledges for the fifth replenishment period of the Global Environment Facility;

5. *Also urges* developed country Parties to mobilize financial support for the national adaptation plan process for interested developing country Parties that are not least developed country Parties through bilateral and multilateral channels, including through the Special Climate Change Fund, in accordance with decision 1/CP.16, as it urged developed country Parties to mobilize financial support for the national adaptation plan process for least developed country Parties in decision 5/CP.17, paragraph 21;<sup>3</sup>

6. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, to make its annual report to the Conference of the Parties available as early as possible and no later than 14 weeks prior to a session of the Conference of the Parties, for consideration by Parties;

7. *Invites* Parties to submit to the secretariat annually, and no later than 10 weeks prior to a session of the Conference of the Parties, their views and recommendations in writing on the elements to be taken into account in the development of annual guidance for the operating entities of the financial mechanism of the Convention;

---

<sup>2</sup> FCCC/SB/2012/3, paragraph 27(e).

<sup>3</sup> FCCC/SB/2012/3, paragraph 27(d).

8. *Requests* the secretariat to compile the submissions referred to in paragraph 7 above, for consideration by Parties in developing guidance for the operating entities of the financial mechanism of the Convention;

9. *Also requests* the Standing Committee to provide to the Conference of the Parties at each of its sessions, beginning in 2013, draft guidance for the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, based on the annual report of the Global Environment Facility to the Conference of the Parties and the views submitted by Parties as set out in paragraph 7 above.

---

## **Further guidance to the Least Developed Countries Fund**

*The Conference of the Parties,*

*Recognizing* the specific needs and special circumstances of the least developed countries, as referred to in Article 4, paragraph 9, of the Convention,

*Recalling* decisions 6/CP.9, 3/CP.11, 5/CP.14, 5/CP.16 and 9/CP.17,

*Also recalling* the least developed countries work programme, as defined in decision 5/CP.7,

*Noting* the report on the twenty-second meeting of the Least Developed Countries Expert Group,<sup>1</sup> the report of the Global Environment Facility to the Conference of the Parties at its eighteenth session<sup>2</sup> and the synthesis report prepared by the secretariat,<sup>3</sup>

*Taking note* of the decisions taken at the 43<sup>rd</sup> meeting of the Council of the Global Environment Facility,

*Welcoming* the key GEF-5 reform to expand the Global Environment Facility partnership,

*Expressing its appreciation* for the continuing efforts of the Global Environment Facility to undertake this important reform,

1. *Welcomes* the increased allocation and disbursement of funds to least developed country Parties under the Least Developed Countries Fund;
2. *Notes with appreciation* the Parties included in Annex II to the Convention that have made additional contributions to the Least Developed Countries Fund;
3. *Takes note* of the increased number of least developed countries successfully completing the preparation of their national adaptation programmes of action, including Myanmar and Somalia, and that the Least Developed Countries Fund has financed the

---

<sup>1</sup> FCCC/SBI/2012/27.

<sup>2</sup> FCCC/CP/2012/6 and Add.1 and 2.

<sup>3</sup> FCCC/SBI/2012/INF.13.

preparation of 48 national adaptation programmes of action, of which 47 have been completed;

4. *Notes* that the Least Developed Countries Fund has approved funding for 76 national adaptation programmes of action projects in 44 least developed countries;

5. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund:

(a) To continue to support all activities contained in the least developed countries work programme;

(b) To continue mobilizing resources to ensure the full implementation of the least developed countries work programme, including the implementation of the elements of the work programme other than national adaptation programmes of action, through, inter alia, capacity-building to improve coordination at different levels of government and across sectors in order to improve project performance in the least developed country Parties, with regard to the implementation of the Convention;

(c) To further facilitate access to the Least Developed Countries Fund by the least developed countries;

(d) To further enhance a country-driven process for the implementation of national adaptation programme of action projects and the implementation of programmatic approaches;

(e) To continue raising awareness of the need for adequate and predictable resources under the Least Developed Countries Fund to allow for the full implementation of the least developed countries work programme, in particular national adaptation programmes of action, as outlined in decision 5/CP.14, paragraph 8;

(f) To enhance communication with its implementing agencies on the updated operational guidelines for the Least Developed Countries Fund;

6. *Also requests* the Global Environment Facility, as an operating entity of the financial mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to include, in its annual report to the Conference of the Parties, information on specific actions that it has undertaken to implement this decision, for consideration by the Conference of the Parties at its subsequent sessions;

7. *Invites* Parties included in Annex II to the Convention to continue contributing and other Parties in a position to do so to

contribute on a voluntary basis to the Least Developed Countries Fund in order to support the implementation of the least developed countries work programme, considering the options contained in the report on the twenty-first meeting of the Least Developed Countries Expert Group;<sup>4</sup>

8. *Also invites* Parties and relevant organizations to submit to the secretariat, by 1 August 2014, information on their experiences with the implementation of the remaining elements of the least developed countries work programme, considering the options contained in the report on the twenty-first meeting of the Least Developed Countries Expert Group, for compilation by the secretariat into a miscellaneous document for consideration by the Subsidiary Body for Implementation at its forty-first session;

9. *Requests* the secretariat to prepare a synthesis report on the progress made in the implementation of the remaining elements of the least developed countries work programme, considering the options contained in the report on the twenty-first meeting of the Least Developed Countries Expert Group, and taking into account information from the Global Environment Facility and its agencies, the submissions referred to in paragraph 8 above, the reports of the Least Developed Countries Expert Group and other relevant sources of information, for consideration by the Subsidiary Body for Implementation at its forty-first session;

10. *Also requests* the Subsidiary Body for Implementation to consider, at its forty-first session, the progress made in the implementation of the remaining elements of the least developed countries work programme, including the updating and implementation of national adaptation programmes of action, with a view to the Conference of the Parties determining, at its twentieth session, appropriate further guidance to be provided to the Least Developed Countries Fund.

---

<sup>4</sup> FCCC/SBI/2012/7.

## **Capacity-building under the Convention for countries with economies in transition**

*The Conference of the Parties,*

*Recalling* decisions 3/CP.7, 9/CP.9, 3/CP.10 and 2/CP.17,

*Acknowledging* that capacity-building for countries with economies in transition is essential to enable them to implement effectively their commitments under the Convention,

*Having considered* the information in documents prepared by the secretariat in support of the third review of the implementation of the framework for capacity-building in countries with economies in transition established under decision 3/CP.7,<sup>1</sup>

1. *Recognizes* that:

(a) Significant progress has been made in building the capacity of countries with economies in transition to mitigate and adapt to climate change; some countries with economies in transition have not only been the recipients of assistance but have also started to transfer their own expertise, knowledge and lessons learned on capacity-building to Parties not included in Annex I to the Convention;

(b) Parties included in Annex I to the Convention have provided adequate resources and assistance for the implementation of the framework for capacity-building in countries with economies in transition established under decision 3/CP.7;

(c) Notwithstanding the progress made, those countries with economies in transition that are currently receiving support are in need of further capacity-building, in particular for the development and implementation of their national low-carbon development strategies consistent with their national priorities and with their emission reduction targets;

2. *Reaffirms* that the scope of the needs identified in the framework for capacity-building in countries with economies in transition established under decision 3/CP.7 and the key factors identified in decision 3/CP.10 remain relevant and continue to be the

---

<sup>1</sup> FCCC/SBI/2012/10 and FCCC/SBI/2012/MISC.5.

basis for, and guide the implementation of, capacity-building activities in those countries with economies in transition that are currently receiving support;

3. *Invites* Parties included in Annex II to the Convention and other Parties in a position to do so, the Global Environment Facility within its mandate, multilateral and bilateral agencies, other international organizations, and the private sector, or any further arrangements as appropriate, to continue to provide support for capacity-building activities in those countries with economies in transition that are currently receiving support;

4. *Decides* to conclude the third review and to conduct the fourth review of the implementation of the framework for capacity-building in countries with economies in transition at the forty-sixth session of the Subsidiary Body for Implementation, with a view to completing this review at the twenty-third session of the Conference of the Parties;

5. *Invites* Parties and relevant organizations to submit to the secretariat, by February 2016, information on how they have implemented capacity-building activities in those countries with economies in transition that are currently receiving support; Parties could include this information as part of their annual submissions on capacity-building in accordance with decision 4/CP.12, paragraph 1(a);

6. *Requests* the secretariat to compile and synthesize the information referred to in paragraph 5 above and make it available for consideration by the Subsidiary Body for Implementation at its forty-sixth session.

*9th plenary meeting  
7 December 2012*



## Report of the Adaptation Fund Board

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Also recalling* previous decisions made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on reports of the Adaptation Fund Board,

*Taking note* of the report of the Adaptation Fund Board,<sup>1</sup>

*Noting with concern* the decline in market prices of certified emission reductions, and its expected impact on the availability of funding from the Adaptation Fund,

1. *Notes* the following actions and decisions taken by the Adaptation Fund Board in accordance with decision 1/CMP.4, paragraph 10:

(a) Accreditation of 14 national implementing entities, including eight during the reporting period, that can directly access resources from the Adaptation Fund;

(b) Cumulative approval of funding decisions on adaptation projects and programmes amounting to USD 166.5 million;

(c) The Board's decision to offer Fund certified emission reductions for direct purchase by governments;

(d) The Board's fundraising target set at USD 100 million until 2013;

2. *Also notes* that cumulative receipts into the Adaptation Fund Trust Fund have reached USD 301.1 million;

3. *Further notes* that funds available for new funding approvals amounted to USD 112.8 million by 30 June 2012 and that potential additional resources from the monetization of certified emission reductions up to the end of 2012 are estimated at USD 31.4 million,

---

<sup>1</sup> FCCC/KP/CMP/2012/7.

for total potential additional resources of USD 144.2 million for new project and programme approvals;<sup>2</sup>

4. *Notes 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;

5. *Requests* 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 resources and any identifiable causes of these trends;

6. *Decides* to consider, at its ninth session, means to enhance the sustainability, adequacy and predictability of these resources, including the potential to diversify revenue streams of the Adaptation Fund, taking into consideration the report of the Adaptation Fund Board as requested in paragraph 5 above;

7. *Takes note with appreciation* of the continued efforts of the Adaptation Fund Board to promote the accreditation of national implementing entities and direct access to Adaptation Fund resources;

8. *Also notes* the successful completion, in accordance with decision 5/CMP.6, paragraph 8, of a series of workshops on the accreditation of national implementing entities, which was concluded in 2012 with two workshops organized by the UNFCCC secretariat in collaboration with the Governments of the Philippines and Samoa, in Manila, the Philippines, from 19 to 21 March 2012 for the Asian and Eastern European regions, and in Apia, Samoa, from 23 to 25 April 2012 for the Pacific subregion;

9. *Welcomes* the financial contributions to the Adaptation Fund made by the Governments of Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland, and the pledges of contributions to the Fund made by Australia and the Brussels-Capital

---

<sup>2</sup> The estimates provided are based on publicly available information and do not in any way constitute Trustee predictions with respect to future certified emission reduction prices, exchange rates, certified emission reduction issuance or other variables. Based on spot prices for certified emission reductions and the exchange rate between the United States dollar and the euro observed during July 2012, and estimated certified emission reduction issuance from the United Nations Environment Programme Risoe Centre (FCCC/KP/CMP/2012/7, para. 37, footnote 9).

Region of Belgium in accordance with decision 4/CMP.5, paragraph 9;

10. *Also welcomes* the financial contributions provided by the Governments of Australia, Japan, Norway, Spain, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland, and the support provided by the Governments of the Philippines and Samoa, the United Nations Development Programme and the United Nations Environment Programme, for the organization of the regional and subregional workshops on the accreditation of national implementing entities;

11. *Continues to encourage* Parties included in Annex I to the Convention and international organizations to provide funding to the Adaptation Fund, which will be additional to the share of proceeds from clean development mechanism project activities;

12. *Requests* the secretariat to prepare a technical paper, based on the experiences of bodies under the Convention and the wider United Nations system, on the process of selecting host institutions for entities under the Convention and the wider United Nations system, including the steps and time frames required to conduct open and competitive bidding processes, for consideration by the Subsidiary Body for Implementation at its thirty-eighth session.

---

Decision 4/CMP.8  
(FCCC/KP/CMP/2012/13/Add.2)

## **Initial review of the Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling decisions 1/CMP.3, 5/CMP.5, 5/CMP.6, 6/CMP.6 and 7/CMP.7,*

*Noting the views of Parties and interested international organizations and stakeholders on the review of the Adaptation Fund in accordance with the annex to decision 6/CMP.6 and decision 1/CMP.3, paragraph 33,<sup>1</sup>*

*Also noting the compilation and synthesis of additional, disaggregated information on the administrative costs of the Adaptation Fund Board prepared by the secretariat,<sup>2</sup> as well as the clarifications and additional information provided by the Chair of the Adaptation Fund Board and the Adaptation Fund Board secretariat, regarding the difficulties in comparing the administrative costs of the secretariats of different funds, during the thirty-seventh session of the Subsidiary Body for Implementation,*

*Taking note of the report on the review of the interim arrangements of the Adaptation Fund,<sup>3</sup>*

1. *Recognizes* the effectiveness and efficiency of the interim secretariat of the Adaptation Fund Board and the International Bank for Reconstruction and Development (the World Bank), as interim trustee for the Adaptation Fund, in the delivery of their services to the Board, as well as the operational improvements identified in the report on the review of the interim arrangements of the Adaptation Fund;
2. *Notes with appreciation* recommendations made by the Adaptation Fund Board with respect to the interim institutional arrangements of the Adaptation Fund, as well as decisions taken with respect to operational issues involving the Board's interim secretariat and the interim trustee for the Fund, in response to the

---

<sup>1</sup> FCCC/KP/CMP/2011/MISC.1 and FCCC/SBI/2012/MISC.11 and Add.1.

<sup>2</sup> FCCC/SBI/2012/INF.8/Rev.1.

<sup>3</sup> FCCC/KP/CMP/2011/6/Add.1, annex.

recommendations arising from the performance review of the interim arrangements of the Adaptation Fund;<sup>4</sup>

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 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;
5. *Decides* to extend the interim institutional arrangements of the secretariat of the Adaptation Fund Board, as provided by decision 1/CMP.3, until the completion of the second review of the Adaptation Fund in 2014;
6. *Encourages* the Adaptation Fund Board to continue working with the interim trustee for the Adaptation Fund on further enhancing the process of monetization of certified emission reductions;
7. *Also encourages* the Adaptation Fund Board to continue enhancing access to funding from the Adaptation Fund, especially through its direct access modality;
8. *Requests* the Adaptation Fund Board to consider how to further improve accessibility to funding from the Adaptation Fund, especially through its direct access modality, and to report on its conclusions to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session;
9. *Notes with concern* issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund based on the current uncertainty regarding the prices of certified emission reductions and the continuation of the Adaptation Fund during and beyond the second commitment period of the Kyoto Protocol;

---

<sup>4</sup> As footnote 3 above.

10. *Requests* the Subsidiary Body for Implementation, at its thirty-eighth session, to initiate the second review of the Adaptation Fund in accordance with the terms of reference contained in the annex to decision 6/CMP.6, or as these guidelines may be subsequently amended, and to report back to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session, with a view to the review being undertaken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session.

---

Decision 10/CMP.8  
(FCCC/KP/CMP/2012/13/Add.2)

**Capacity-building under the Kyoto Protocol for  
developing countries**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 29/CMP.1, 6/CMP.4, 15/CMP.7, 2/CP.7 and 2/CP.17, paragraph 144,

1. *Decides* that the Durban Forum for in-depth discussion on capacity-building, established by decision 2/CP.17, is an appropriate arrangement for sharing experiences and exchanging ideas, best practices and lessons learned regarding the implementation of capacity-building activities related to the Kyoto Protocol with the participation of Parties, representatives of the relevant bodies established under the Convention and relevant experts and practitioners;
2. *Encourages* Parties to further improve the implementation of capacity-building activities related to the implementation of the Kyoto Protocol and to report on the effectiveness and sustainability of related capacity-building progress;
3. *Invites* Parties to submit their views as part of their annual submissions in accordance with decision 4/CP.12, by 18 February 2013, on specific thematic issues related to capacity-building for the implementation of the Kyoto Protocol in developing countries, to be considered at the 2nd meeting of the Durban Forum, to be held at the thirty-eighth session of the Subsidiary Body for Implementation;
4. *Requests* the Subsidiary Body for Implementation to take into account the views expressed in the submissions referred to in paragraph 3 above in organizing the 2nd meeting of the Durban Forum.

*9th plenary meeting  
7 December 2012*

Decision 11/CMP.8  
(FCCC/KP/CMP/2012/13/Add.2)

**Capacity-building under the Kyoto Protocol for countries with economies in transition**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 3/CP.7, 3/CP.10 and 30/CMP.1,

*Acknowledging* that capacity-building for countries with economies in transition is essential to enable them to implement effectively their commitments under the Kyoto Protocol,

*Having considered* the information in documents prepared by the secretariat in support of the third review of the implementation of the framework for capacity-building in countries with economies in transition established under decision 3/CP.7,<sup>1</sup>

1. *Recognizes* that:

(a) Significant progress has been made in building the capacity of countries with economies in transition, in particular as relates to their participation in joint implementation projects; some countries with economies in transition have not only been the recipients of assistance but have also started to transfer their own expertise, knowledge and lessons learned on capacity-building to Parties not included in Annex I to the Convention;

(b) Parties in a position to do so have provided adequate resources and assistance for the implementation of the framework for capacity-building in countries with economies in transition established under decision 3/CP.7;

(c) Notwithstanding the progress made, those countries with economies in transition that are currently receiving support are in need of further capacity;

2. *Reaffirms* that the scope of the needs identified in the framework for capacity-building in countries with economies in transition established under decision 3/CP.7 and the key factors identified in decision 3/CP.10 remain relevant and continue to be the basis for, and guide the implementation of, capacity-building activities relating to the implementation of the Kyoto Protocol in

---

<sup>1</sup> FCCC/SBI/2012/10 and FCCC/SBI/2012/MISC.5.



those countries with economies in transition that are currently receiving support;

3. *Invites* Parties included in Annex II to the Convention and other Parties in a position to do so, multilateral and bilateral agencies, other international organizations, and the private sector, or any further arrangements as appropriate, to continue to provide support for capacity-building activities relating to the implementation of the Kyoto Protocol in those countries with economies in transition that are currently receiving support;

4. *Decides* to conclude the third review and to conduct the fourth review of the implementation of the framework for capacity-building in countries with economies in transition at the forty-sixth session of the Subsidiary Body for Implementation, with a view to completing this review at the thirteenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

5. *Invites* Parties and relevant organizations to submit to the secretariat, by February 2016, information on how they have implemented capacity-building activities in those countries with economies in transition that are currently receiving support; Parties could include this information as part of their annual submissions on capacity-building in accordance with decision 4/CP.12, paragraph 1(a);

6. *Requests* the secretariat to compile and synthesize the information referred to in paragraph 5 above and make it available for consideration by the Subsidiary Body for Implementation at its forty-sixth session.

*9th plenary meeting  
7 December 2012*



## **Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention**

### **IV. Finance**

#### **Standing Committee**

The Conference of the Parties,

*Recalling* Articles 4 and 11 of the Convention,

*Having established* the Standing Committee under the Conference of the Parties as provided for in decision 1/CP.16, paragraph 112,

120. *Decides* that the Standing Committee shall report and make recommendations to the Conference of the Parties, for its consideration, at each ordinary session of the Conference of the Parties on all aspects of its work;

121. *Also decides* that the Standing Committee shall assist the Conference of the Parties in exercising its functions with respect to the financial mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism, mobilization of financial resources, and measurement, reporting and verification of the support provided to developing country Parties through activities, such as the following:

(a) Organizing a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence;

(b) Maintaining linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention;

(c) Providing to the Conference of the Parties draft guidance for the operating entities of the financial mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as submissions from Parties;

(d) Making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the financial mechanism;

(e) Providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the financial mechanism by the Conference of the Parties;

(f) Preparing a biennial assessment, overview of climate finance flows, to include information on the geographical and thematic balance of such flows, drawing on available sources of information, including national communications and biennial reports of both developed and developing country Parties, information provided in the registry, information provided by Parties on assessments of their needs, reports prepared by the operating entities of the financial mechanism, and information available from other entities providing climate change finance;

122. *Further decides* that the Standing Committee shall perform any other functions that may be assigned to it by the Conference of the Parties;

123. *Requests* the Standing Committee to develop a work programme based on the activities outlined in paragraph 121 above for presentation to the Conference of the Parties at its eighteenth session;

124. *Decides* that the cost of meetings and the participation of members from developing country Parties will be included in the consideration of the core budget of the secretariat;

125. *Also decides* to adopt the composition and working modalities of the Standing Committee as contained in annex VI;

## **Long-term finance**

*Recalling* Articles 4 and 11 of the Convention,

*Also recalling* decision 1/CP.13, paragraph 1(e),

*Further recalling* decision 1/CP.16, paragraphs 18 and 97–101,

*Welcoming* the fast-start finance provided by developed countries as part of their collective commitment to provide new and additional resources approaching USD 30 billion for the period 2010–2012,

*Recalling* that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries,

126. *Affirms* the importance of continuing to provide ongoing support beyond 2012;

127. *Decides* to undertake a work programme on long-term finance in 2012, including workshops, to progress on long-term finance in the context of decision 1/CP.16, paragraphs 97-101;

128. *Invites* the President of the Conference of the Parties to appoint two co-chairs, one from a developing country Party and one from a developed country Party, for the work programme mentioned in paragraph 127 above;

129. *Requests* the secretariat, to assist the co-chairs in supporting the workshops mentioned in paragraph 127 above;

130. *Decides* that the aim of the work programme referred to in paragraph 127 above is to contribute to the on-going efforts to scale up the mobilization of climate change finance after 2012; the work programme will analyse options for the mobilization of resources from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources and relevant analytical work on the climate-related financing needs of developing countries; the analysis will draw upon relevant reports including that of the High-level Advisory Group on Climate Financing and the report on mobilizing climate finance for the Group of Twenty and the assessment criteria in the reports, and will also take into account lessons learned from fast-start finance;

131. *Requests* the co-chairs, supported by the secretariat, to prepare a report on the workshops referred to in paragraph 127 above for consideration by the Conference of the Parties at its eighteenth session;

132. *Notes* the information provided by developed country Parties on the fast-start finance they have provided and urges them to continue to enhance the transparency of their reporting on the fulfilment of their fast-start finance commitments;

## **Annex VI**

### **Composition and working modalities of the Standing Committee**

1. The Standing Committee shall be composed of the following:
  - (a) Ten members from Parties included in Annex I to the Convention (Annex I Parties);
  - (b) Ten members from Parties not included in Annex I to the Convention (non-Annex I Parties), including two members each from the African, Asia-Pacific, and the Latin America and Caribbean States, one member from a small island developing State and one member from a least developed country Party.
2. The Standing Committee shall be composed of members nominated by Parties for approval by the Conference of the Parties, who shall have the necessary experience and skills, notably in the areas of climate change, development and finance, taking into account the need to achieve gender balance in accordance with decision 36/CP.7.
3. Standing Committee members shall serve for a term of two years, with the option of seeking additional terms.
4. The Standing Committee shall elect annually a chair and a vice-chair from among its members for a term of one year each, with one being a member from a non-Annex I Party and the other being a member from an Annex I Party. The positions of chair and vice-chair shall alternate annually between a member from a developed country Party and a member from a developing country Party.
5. The Standing Committee shall develop further modalities for the participation of observers from the operating entities of the financial mechanism of the Convention, from funding entities (multilateral, bilateral and regional) involved in climate finance and from observer organizations from the private sector and civil society admitted to the Convention.
6. The Standing Committee shall draw upon additional expertise as it may deem necessary.
7. The Standing Committee shall meet at least twice a year, or more if necessary, and its first meeting shall take place prior to the thirty-sixth session of the Subsidiary Body for Implementation.

8. The Standing Committee shall reach its conclusions by consensus.

9. The secretariat shall provide administrative support for the work of the Standing Committee.

10. The Conference of the Parties will conduct a review of the functions of the Standing Committee in 2015.

---

## **Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention**

*The Conference of the Parties,*

### **VI. Capacity-building**

The Conference of the Parties,

*Recalling* decisions 2/CP.7, 2/CP.10, 4/CP.12 and 1/CP.16,

*Also recalling* decision 1/CP.16, paragraphs 136 and 137, which request the consideration of ways to further enhance the monitoring and review of the effectiveness of capacity-building, and to further elaborate the modalities regarding institutional arrangements for capacity-building, for consideration by the Conference of the Parties at its seventeenth session,

*Reaffirming* that capacity-building is essential in enabling developing country Parties to participate fully in addressing the challenges of climate change, and to implement effectively their commitments under the Convention,

*Also reaffirming* that capacity-building should be a continuous, progressive and iterative process that is participatory, country-driven and consistent with national priorities and circumstances,

*Further reaffirming* the importance of taking into account gender aspects and acknowledging the role and needs of youth and persons with disabilities in capacity-building activities,

*Acknowledging* that capacity-building is cross-cutting in nature and an integral part of enhanced action on mitigation, adaptation, technology development and transfer, and access to financial resources,

*Noting with appreciation* the progress made across the bodies established under the Convention and the operating entities of the financial mechanism, including those agreed to in decision 1/CP.16, in integrating capacity-building into enhanced action on mitigation,



adaptation, technology development and transfer, and access to financial resources,

*Also noting* decision 1/CP.16, paragraph 65, which encourages Parties to develop low-carbon development strategies or plans in the context of sustainable development, welcoming those Parties that have already begun the process of developing these strategies, and noting the important capacity-building outcomes that this process and related partnerships can provide,

*Further noting* that, while progress has been made, gaps still remain in addressing the priority issues identified in the framework for capacity-building in developing countries as contained in decision 2/CP.7,

144. *Requests* the Subsidiary Body for Implementation to further enhance the monitoring and review of the effectiveness of capacity-building by organizing an annual in-session Durban Forum for in-depth discussion on capacity-building with the participation of Parties, representatives of the relevant bodies established under the Convention, and relevant experts and practitioners, with a view to sharing their experiences and exchanging ideas, best practices and lessons learned regarding the implementation of capacity-building activities;

145. *Decides* that the Durban Forum should include as inputs, inter alia, any capacity-building elements contained in the reports prepared since the most recent session of the Durban Forum by the relevant bodies established under the Convention;

146. *Requests* the secretariat to compile and synthesize the reports prepared since the most recent session of the Durban Forum by the relevant bodies established under the Convention;

147. *Also requests* the secretariat to prepare a summary report on the Durban Forum for consideration by the Subsidiary Body for Implementation;

148. *Encourages* Parties to continue to provide information through the appropriate channels, including national communications, on the progress made in enhancing the capacity to address climate change;

149. *Invites* developing country Parties to report on progress made and measures taken in implementing and improving their enabling environments to build national capacity for mitigation and adaptation, and to include the needs relevant to enhancing the progress made on such measures in their communications on capacity-building priorities;

150. *Requests* the secretariat to continue to compile and synthesize the information provided by Annex I Parties and to summarize the information provided by non-Annex I Parties in their national communications and submissions, and to compile and synthesize information on capacity-building activities, including lessons learned, provided by the relevant bodies established under the Convention and by international and regional organizations;

151. *Also requests* the Subsidiary Body for Implementation, in its consideration of the third and subsequent comprehensive reviews of the implementation of the framework for capacity-building in developing countries, to include the reports of relevant bodies established under the Convention, as well as the summary reports on the Durban Forum referred to in paragraph 147 above, as additional inputs to these reviews;

152. *Encourages* the relevant bodies established under the Convention, including, inter alia, the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention, the Least Developed Countries Expert Group and the Global Environment Facility as an operating entity of the financial mechanism, to continue to elaborate and carry out work on capacity-building in an integrated manner, as appropriate, within their respective mandates;

153. *Recognizes* that there may be ways to further enhance the monitoring and review of the effectiveness of capacity-building;

154. *Decides* that, in addition to the topics outlined in paragraph 144 above, the first meeting of the Durban Forum, organized during the thirty-sixth session of the Subsidiary Body for Implementation, shall explore potential ways to further enhance monitoring and review of the effectiveness of capacity-building;

155. *Also decides* that the financial resources for enhanced action on capacity-building in developing country Parties should be provided by Parties included in Annex II to the Convention and other Parties in a position to do so through the current and any future operating entities of the financial mechanism, as well as through various bilateral, regional and other multilateral channels, as appropriate;

156. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources;

*10th plenary meeting  
11 December 2011*

Decision 3/CP.17  
(FCCC/CP/2011/9/Add.1)

## **Launching the Green Climate Fund**

*The Conference of the Parties,*

*Recalling* decision 1/CP.16,

1. *Welcomes* the report of the Transitional Committee (FCCC/CP/2011/6 and Add.1), taking note with appreciation of the work of the Transitional Committee in responding to its mandate given in decision 1/CP.16, paragraph 109;
2. *Approves* the governing instrument for the Green Climate Fund annexed to this decision;
3. *Decides* to designate the Green Climate Fund as an operating entity of the financial mechanism of the Convention, in accordance with Article 11 of the Convention, with arrangements to be concluded between the Conference of the Parties and the Fund at the eighteenth session of the Conference of the Parties to ensure that it is accountable to and functions under the guidance of the Conference of the Parties to support projects, programmes, policies and other activities in developing country Parties;
4. *Notes* that the Green Climate Fund will be guided by the principles and provisions of the Convention;
5. *Decides* to provide guidance to the Board of the Green Climate Fund, including on matters related to policies, programme priorities and eligibility criteria and matters related thereto, taking into account the Board's annual reports to the Conference of the Parties on its activities;
6. *Requests* the Board to operationalize the Fund in an expedited manner;
7. *Also requests* the Board to develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the governing instrument annexed to this decision, in order to ensure consistency with national climate strategies and plans and a country driven approach and to provide for effective direct and indirect public and private sector financing by the Green Climate Fund. Further requests the Board to determine this procedure prior to approval of funding proposals by the Fund;

8. *Requests* the Board to balance the allocation of the Green Climate Fund resources between adaptation and mitigation activities;

9. *Stresses* the need to secure funding for the Green Climate Fund, taking into account paragraphs 29 and 30 of the governing instrument, to facilitate its expeditious operationalization, and requests the Board to establish the necessary policies and procedures, which will enable an early and adequate replenishment process;

10. *Invites* Parties, through their regional groupings and constituencies, to submit their nominations for the members of the Board to the interim secretariat by 31 March 2012, in accordance with paragraph 11 of the governing instrument for the Green Climate Fund, with the 12 seats for developing country Parties to be distributed as follows:

(a) Three members and alternate members from the Asia-Pacific States;

(b) Three members and alternate members from the African States;

(c) Three members and alternate members from the Latin American and the Caribbean States;

(d) One member and alternate member from small island developing States;

(e) One member and alternate member from least developed country Parties;

(f) One member from developing country Parties not included in the regional groups and constituencies above and one alternate member to rotate between developing country Parties included in the groups and constituencies listed above;

11. *Decides* that the Green Climate Fund be conferred juridical personality and legal capacity and shall enjoy such privileges and immunities related to the discharge and fulfilment of its functions, in accordance with paragraphs 7 and 8 of the governing instrument;

12. *Invites* Parties, in line with the objectives set forth in paragraph 12 above, to submit to the Board expressions of interest for hosting the Green Climate Fund by 15 April 2012, based on the following criteria:

(a) The ability to confer and/or recognize juridical personality and legal capacity to the Fund for the protection of its interests and the exercise of its functions, to give effect to paragraphs 7 and 8 of the governing instrument, including but not limited to the

ability to contract, acquire and dispose of immovable and movable property, and to institute legal proceedings;

(b) The ability to provide privileges and immunities to the Fund as are necessary for the fulfilment of its purposes, and to the officials of the Fund as are necessary for the independent exercise of their official functions in connection with the Fund;

(c) Financial arrangements, administrative and logistical support to the Fund;

(d) Any other information that the host country wishes to provide;

13. *Requests* the Board, following the receipt of expressions of interest, to conduct an open and transparent process for the selection of the host country, and to decide on a host country for endorsement by the Conference of the Parties at its eighteenth session, in accordance with paragraph 22 of the governing instrument;

14. *Also requests* the Board and the host country of the Green Climate Fund to develop, in accordance with paragraphs 7 and 8 of the governing instrument, the legal and administrative arrangements for hosting the Fund, and to ensure that juridical personality and legal capacity are conferred to the Fund, and privileges and immunities as are necessary are granted to the Fund and its officials in an expeditious manner;

15. *Further requests* the Board to establish the independent secretariat of the Green Climate Fund in the host country in an expedited manner as soon as possible, in accordance with paragraph 19 of the governing instrument;

16. *Invites* the Board to select the trustee of the Green Climate Fund through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services;

17. *Requests* the Board to initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate;

18. *Recognizes* the need to facilitate the immediate functioning of the Green Climate Fund and ensure its independence, requests the UNFCCC secretariat jointly with the Global Environment Facility secretariat to take the necessary administrative steps to set up the interim secretariat of the Green Climate Fund as an autonomous unit within the UNFCCC secretariat premises without undue delay after

the seventeenth session of the Conference of the Parties so that the interim secretariat can provide technical, administrative and logistical support to the Board until the independent secretariat of the Green Climate Fund is established;

19. *Decides* that the interim arrangements should terminate no later than the nineteenth session of the Conference of the Parties;

20. *Also decides* that the interim secretariat shall be fully accountable to the Board and shall function under its guidance and authority, and that its head shall report to the Board;

21. *Urges* the Board to move promptly to appoint the head of the interim secretariat;

22. *Decides* that the criteria for the selection of the head of the interim secretariat shall include, inter alia, expertise in the design or management of funds, relevant administrative and management experience, experience in or working with developing countries, and policy expertise;

23. *Requests* the interim secretariat to make arrangements for convening the first Board meeting by 30 April 2012;

24. *Welcomes* the offers made by Switzerland and the Republic of Korea to host the first and second meetings of the Board respectively, and invites Parties to host subsequent meetings;

25. *Invites* Parties to make financial contributions for the start-up of the Green Climate Fund, including administrative costs of the Board and its interim secretariat;

26. *Welcomes* the generous offers of the Republic of Korea, Germany and Denmark to contribute to the start-up cost of the Green Climate Fund.

## **Annex**

### **Governing instrument for the Green Climate Fund**

The Green Climate Fund (hereinafter the “Fund”) is hereby established and will operate in accordance with the following provisions:

#### **I. Objectives and guiding principles**

1. Given the urgency and seriousness of climate change, the purpose of the Fund is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change.

2. The Fund will contribute to the achievement of the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC). In the context of sustainable development, the Fund will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.

3. The Fund will be guided by the principles and provisions of the Convention. The Fund will operate in a transparent and accountable manner guided by efficiency and effectiveness. The Fund will play a key role in channeling new, additional, adequate and predictable financial resources to developing countries and will catalyse climate finance, both public and private, and at the international and national levels. The Fund will pursue a country-driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders. The Fund will be scalable and flexible and will be a continuously learning institution guided by processes for monitoring and evaluation. The Fund will strive to maximize the impact of its funding for adaptation and mitigation, and seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.

## **II. Governance and institutional arrangements**

### **A. Relationship to the Conference of the Parties**

4. The Fund will be designated as an operating entity of the financial mechanism under Article 11 of the Convention and will be accountable to and function under the guidance of the Conference of the Parties (COP).

5. The Fund will be governed and supervised by a Board that will have full responsibility for funding decisions.

6. Arrangements will be concluded between the COP and the Fund, consistent with Article 11 of the Convention, to ensure that the Fund is accountable to and functions under the guidance of the COP. In order to ensure accountability to the COP, pursuant to Article 11, paragraph 3, the Board will:

(a) Receive guidance from the COP, including on matters related to policies, programme priorities and eligibility criteria, and matters related thereto;

(b) Take appropriate action in response to the guidance received;

(c) Submit annual reports to the COP for its consideration and receive further guidance.

### **B. Legal status**

7. In order to operate effectively internationally, the Fund will possess juridical personality and will have such legal capacity as is necessary for the exercise of its functions and the protection of its interests.

8. The Fund will enjoy such privileges and immunities as are necessary for the fulfilment of its purposes. The officials of the Fund will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official functions in connection with the Fund.

### **C. Rules of procedure of the Board**

#### **1. Composition**

9. The Board will have 24 members, composed of an equal number of members from developing and developed country Parties. Representation from developing country Parties will include representatives of relevant United Nations regional groupings and



representatives from small island developing States (SIDS) and least developed countries (LDCs).

10. Each Board member will have an alternate member, with alternate members entitled to participate in the meetings of the Board only through the principal member, without the right to vote, unless they are serving as the member. During the absence of the member from all or part of a meeting of the Board, his or her alternate will serve as the member.

## **2. Selection of Board members**

11. The members of the Board and their alternates will be selected by their respective constituency or regional group within a constituency. Members of the Board will have the necessary experience and skills, notably in the areas of climate change and development finance, with due consideration given to gender balance.

## **3. Term of membership**

12. Members and alternate members will serve for a term of three years and be eligible to serve additional terms as determined by their constituency.

## **4. Chairmanship**

13. Two co-chairs of the Board will be elected by the Board members from within their membership to serve for a period of one year, with one being a member from a developed country Party and the other being a member from a developing country Party.

## **5. Decision-making**

14. Decisions of the Board will be taken by consensus of the Board members. The Board will develop procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted.

## **6. Quorum**

15. A two-thirds majority of Board members must be present at a meeting to constitute a quorum.

## **7. Observers**

16. The Board will make arrangements, including developing and operating accreditation processes, to allow for effective participation by accredited observers in its meetings. The Board will invite, to participate as active observers: two civil society representatives, one

each from developing and developed countries, and two private sector representatives, one each from developing and developed countries.

## **8. Additional rules of procedure**

17. Additional rules of procedures will be developed by the Board.

## **D. Role and functions of the Board**

18. The Board of the Fund will:

(a) Oversee the operation of all relevant components of the Fund;

(b) Approve operational modalities, access modalities and funding structures;

(c) Approve specific operational policies and guidelines, including for programming, project cycle, administration, and financial management;

(d) Approve funding in line with the Fund's principles, criteria, modalities, policies and programmes;

(e) Develop environmental and social safeguards and fiduciary principles and standards that are internationally accepted;

(f) Develop criteria and application processes for the accreditation of implementing entities of the Fund and accredit implementing entities and withdraw such accreditation;

(g) Establish subcommittees and panels and define their terms of reference, as appropriate;

(h) Establish additional thematic windows and/or substructures to address specific activities, as appropriate;

(i) Establish a framework for the monitoring and evaluation of performance and the financial accountability of activities supported by the Fund and any necessary external audits;

(j) Review and approve the administrative budget of the Fund and arrange for performance reviews and audits;

(k) Appoint the Executive Director of the secretariat;

(l) Appoint the head of the evaluation unit and the heads of all accountability units;

(m) Receive guidance and take action in response to any guidance from the COP and prepare annual reports to the COP on its activities;

(n) Develop working and coordination arrangements with other relevant bodies under the Convention and other relevant international institutions;

(o) Select, appoint and enter into legal and administrative arrangements with the trustee;

(p) Exercise such other functions as may be appropriate to fulfil the objectives of the Fund.

## **E. Secretariat**

### **1. Establishment of the secretariat**

19. The Fund will establish a secretariat, which will be fully independent. The secretariat will service and be accountable to the Board. It will have effective management capabilities to execute the day-to-day operations of the Fund.

20. The secretariat will be headed by an Executive Director with the necessary experiences and skills, who will be appointed by and be accountable to the Board. The Board will approve the job description and qualifications for the Executive Director. The Executive Director will be selected through a merit-based, open and transparent process.

21. The secretariat will be staffed with professional staff with relevant experience. The staff selection will be managed by the Executive Director and will be open, transparent and based on merit, taking into account geographical and gender balance.

22. The selection of the host country of the Fund will be an open and transparent process. The selection of the host country will be endorsed by the COP.

### **2. Functions**

23. The secretariat will be responsible for the day-to-day operations of the Fund, providing administrative, legal and financial expertise. In particular, the secretariat will:

(a) Organize and execute all administrative duties;

(b) Report information on the Fund's activities;

(c) Liaise with members, implementing entities, and cooperating bilateral and multilateral institutions and agencies;

(d) Prepare performance reports on the implementation of activities under the Fund;

- (e) Develop the work programme and annual administrative budget of the secretariat and trustee and submit them for approval by the Board;
- (f) Operationalize the project and programme cycle processes;
- (g) Prepare financial agreements related to the specific financing instrument to be concluded with an implementing entity;
- (h) Monitor the financial risks of the outstanding portfolio;
- (i) Work with the trustee to support the Board to enable it to carry out its responsibilities;
- (j) Carry out monitoring and evaluation functions;
- (k) Support the Board in arranging replenishment processes;
- (l) Establish and run effective knowledge management practices;
- (m) Perform any other functions assigned by the Board.

## **F. Trustee**

24. The Fund will have a trustee with administrative competence to manage the financial assets of the Fund. The trustee will maintain appropriate financial records and will prepare financial statements and other reports required by the Board, in accordance with internationally accepted fiduciary standards.

25. The trustee will administer the assets of the Fund only for the purpose of, and in accordance with, the relevant decisions of the Board. The trustee will hold the assets of the Fund separate and apart from the assets of the trustee, but may commingle them for administrative and investment purposes with other assets maintained by the trustee. The trustee will establish and maintain separate records and accounts in order to identify the assets of the Fund.

26. The World Bank will serve as interim trustee for the Fund, subject to a review three years after the operationalization of the Fund.

27. The trustee will be accountable to the Board for the performance of its responsibilities as trustee for the Fund.

## **III. Administrative costs**

28. The Fund will finance the operating costs of the Board, secretariat and trustee.

## **IV. Financial inputs**

29. The Fund will receive financial inputs from developed country Parties to the Convention.

30. The Fund may also receive financial inputs from a variety of other sources, public and private, including alternative sources.

## **V. Operational modalities**

31. The Fund will provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach and will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects.

32. The Board will steer the Fund's operations so that they evolve with the Fund's scale and maturity and will exercise flexibility to allow the Fund to evolve over time and become the main global fund for climate change finance.

### **A. Complementarity and coherence**

33. The Fund shall operate in the context of appropriate arrangements between itself and other existing funds under the Convention, and between itself and other funds, entities, and channels of climate change financing outside the Fund.

34. The Board will develop methods to enhance complementarity between the activities of the Fund and the activities of other relevant bilateral, regional and global funding mechanisms and institutions, to better mobilize the full range of financial and technical capacities. The Fund will promote coherence in programming at the national level through appropriate mechanisms. The Fund will also initiate discussions on coherence in climate finance delivery with other relevant multilateral entities.

### **B. Eligibility**

35. All developing country Parties to the Convention are eligible to receive resources from the Fund. The Fund will finance agreed full and agreed incremental costs for activities to enable and support enhanced action on adaptation, mitigation (including REDD-plus),<sup>1</sup> technology development and transfer (including carbon capture and

---

<sup>1</sup> Reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

storage), capacity-building and the preparation of national reports by developing countries.

36. The Fund will support developing countries in pursuing project-based and programmatic approaches in accordance with climate change strategies and plans, such as low-emission development strategies or plans, nationally appropriate mitigation actions (NAMAs), national adaptation plans of action (NAPAs), national adaptation plans (NAPs) and other related activities.

## **C. Funding windows and fund structure**

37. The Fund will have thematic funding windows. Initially, the Fund will have windows for adaptation and mitigation. An integrated approach to funding mitigation and adaptation will be used to allow for cross-cutting projects and programmes.

38. The Board shall also ensure adequate resources for capacity-building and technology development and transfer. The Fund will also provide resources for innovative and replicable approaches.

39. The Board will consider the need for additional windows. The Board will have the authority to add, modify and remove additional windows and substructures or facilities as appropriate.

### **1. Readiness and preparatory support**

40. The Fund will provide resources for readiness and preparatory activities and technical assistance, such as the preparation or strengthening of low-emission development strategies or plans, NAMAs, NAPs, NAPAs and for in-country institutional strengthening, including the strengthening of capacities for country coordination and to meet fiduciary principles and standards and environmental and social safeguards, in order to enable countries to directly access the Fund.

### **2. Private sector**

41. The Fund will have a private sector facility that enables it to directly and indirectly finance private sector mitigation and adaptation activities at the national, regional and international levels.

42. The operation of the facility will be consistent with a country-driven approach.

43. The facility will promote the participation of private sector actors in developing countries, in particular local actors, including small- and medium-sized enterprises and local financial

intermediaries. The facility will also support activities to enable private sector involvement in SIDS and LDCs.

44. The Board will develop the necessary arrangements, including access modalities, to operationalize the facility.

## **D. Access modalities and accreditation**

45. Access to Fund resources will be through national, regional and international implementing entities accredited by the Board. Recipient countries will determine the mode of access and both modalities can be used simultaneously.

46. Recipient countries may designate a national authority. This national designated authority will recommend to the Board funding proposals in the context of national climate strategies and plans, including through consultation processes. The national designated authorities will be consulted on other funding proposals for consideration prior to submission to the Fund, to ensure consistency with national climate strategies and plans.

### **1. Direct access**

47. Recipient countries will nominate competent subnational, national and regional implementing entities for accreditation to receive funding. The Board will consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes.

### **2. International access**

48. Recipient countries will also be able to access the Fund through accredited international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions.

### **3. Accreditation**

49. The Board will develop, manage and oversee an accreditation process for all implementing entities based on specific accreditation criteria that reflect the Fund's fiduciary principles and standards and environmental and social safeguards.

## **E. Allocation**

50. The Board will balance the allocation of resources between adaptation and mitigation activities under the Fund and ensure appropriate allocation of resources for other activities.

51. A results-based approach will be an important criterion for allocating resources.

52. In allocating resources for adaptation, the Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States, using minimum allocation floors for these countries as appropriate. The Board will aim for appropriate geographical balance.

## **F. Programming and approval processes**

53. The Fund will have a streamlined programming and approval process to enable timely disbursement. The Board will develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities.

## **VI. Financial instruments**

54. The Fund will provide financing in the form of grants and concessional lending, and through other modalities, instruments or facilities as may be approved by the Board. Financing will be tailored to cover the identifiable additional costs of the investment necessary to make the project viable. The Fund will seek to catalyse additional public and private finance through its activities at the national and international levels.

55. The Fund may employ results-based financing approaches, including, in particular for incentivizing mitigation actions, payment for verified results, where appropriate.

56. Financial management practices and financing agreements will be in keeping with the Fund's fiduciary principles and standards and environmental and social safeguards to be adopted by the Board. The Board will develop an appropriate risk management policy for funding and financial instruments.

## **VII. Monitoring**

57. The programmes and projects, as well as other activities, funded by the Fund will be regularly monitored for impact, efficiency and effectiveness in line with rules and procedures established by the Board. The use of participatory monitoring involving stakeholders will be encouraged.

58. A results measurement framework with guidelines and appropriate performance indicators will be approved by the Board. Performance against these indicators will be reviewed periodically in



order to support the continuous improvement of the Fund's impact, effectiveness and operational performance.

## **VIII. Evaluation**

59. There will be periodic independent evaluations of the performance of the Fund in order to provide an objective assessment of the results of the Fund, including its funded activities and its effectiveness and efficiency. The purpose of these independent evaluations is to inform decision-making by the Board and to identify and disseminate lessons learned. The results of the periodic evaluations will be published.

60. To this end, the Board will establish an operationally independent evaluation unit as part of the core structure of the Fund. The head of the unit will be selected by, and will report to, the Board. The frequency and types of evaluation to be conducted will be specified by the unit in agreement with the Board.

61. Reports of the Fund's independent evaluation unit will be provided to the COP for purposes of periodic reviews of the financial mechanism of the Convention.

62. The COP may commission an independent assessment of the overall performance of the Fund, including Board performance.

## **IX. Fiduciary standards**

63. The Board will agree on, adopt, and ensure the application of best practice fiduciary principles and standards to the Fund's entities, the trustee's function related to the Fund, and to all operations, projects and programmes financed by the Fund, including the implementing entities.

64. The Fund will support the strengthening of capacities in recipient countries, where needed, to be able to meet the Fund's fiduciary principles and standards, based on modalities that will be established by the Board.

## **X. Environmental and social safeguards**

65. The Board will agree on and adopt best practice environmental and social safeguards, which shall be applied to all programmes and projects financed using the resources of the Fund.

66. The Fund will support the strengthening of capacities in recipient countries, where needed, to enable them to meet the Fund's

environmental and social safeguards, based on modalities that shall be developed by the Board.

## **XI. Accountability mechanisms**

67. The Fund's operations will be subject to an information disclosure policy that will be developed by the Board.

68. The Board will establish an independent integrity unit, to work with the secretariat and report to the Board, to investigate allegations of fraud and corruption in coordination with relevant counterpart authorities.

69. The Board will establish an independent redress mechanism that will report to the Board. The mechanism will receive complaints related to the operation of the Fund and will evaluate and make recommendations.

## **XII. Expert and technical advice**

70. In carrying out its functions the Board will develop mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate.

## **XIII. Stakeholder input and participation**

71. The Board will develop mechanisms to promote the input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and indigenous peoples, in the design, development and implementation of the strategies and activities to be financed by the Fund.

## **XIV. Termination of the Fund**

72. Termination of the Fund will be approved by the COP based on a recommendation of the Board.

---

Decision 13/CP.17  
(FCCC/CP/2011/9/Add.2)

## Capacity-building under the Convention

*The Conference of the Parties,*

Recalling decisions 2/CP.7, 2/CP.10, 4/CP.12, 1/CP.16 and 10/CP.16,

*Acknowledging* that capacity-building for developing countries is essential to enable them to participate fully in, and implement effectively their commitments under, the Convention,

*Having considered* the information in documents prepared by the secretariat in support of the second comprehensive review of the implementation of the framework for capacity-building in developing countries,<sup>1</sup>

*Noting* that while progress has been made, gaps still remain in addressing the priority issues identified in the framework for capacity-building in developing countries as contained in decision 2/CP.7,

*Reaffirming* that capacity-building should be a continuous, progressive and iterative process that is participatory, country-driven and consistent with national priorities and circumstances,

*Also reaffirming* the importance of taking into account gender aspects and acknowledging the role and needs of youth and persons with disabilities in capacity-building activities,

1. *Decides* that the scope of needs and priority areas identified in the framework for capacity-building in developing countries as contained in decision 2/CP.7 and the key factors identified in decision 2/CP.10 remain relevant and continue to be the basis for and guide the implementation of capacity-building activities in developing countries;

2. *Also decides* that capacity-building priorities and needs in developing countries, including those emerging from decision 1/CP.16, should be taken into account in the further implementation of the framework for capacity-building in developing countries;

---

<sup>1</sup> FCCC/SBI/2009/MISC.1, FCCC/SBI/2009/MISC.2, FCCC/SBI/2009/MISC.8, FCCC/SBI/2009/MISC.12/Rev.1, FCCC/SBI/2009/4, FCCC/SBI/2009/5, FCCC/CP/2011/7 and FCCC/SBI/2011/15.

3. *Invites* relevant United Nations agencies and intergovernmental organizations to continue providing support for capacity-building efforts in developing countries, emphasizing and stressing the need for the full involvement of developing countries in the conception and development of such activities;

4. *Also invites* Parties included in Annex II to the Convention and other Parties that are in a position to do so, multilateral, bilateral and international agencies and the private sector to continue providing financial resources to support capacity-building action in developing countries;

5. *Further invites* Parties to enhance reporting on best practices related to capacity-building in their national communications, submissions and other relevant documents, with a view to furthering learning and broadening the impact of capacity-building activities;

6. *Decides* that further implementation of the framework for capacity-building in developing countries should be improved at the systemic, institutional and individual levels as appropriate, by the following:

(a) Ensuring consultations with stakeholders throughout the entire process of activities, from the design of activities to their implementation and monitoring and evaluation;

(b) Enhancing integration of climate change issues and capacity-building needs into national development strategies, plans and budgets;

(c) Increased country-driven coordination of capacity-building activities;

(d) Strengthened networking and information sharing among developing countries, especially through South–South and triangular cooperation;

7. *Also decides* to conclude the second comprehensive review and to initiate the third comprehensive review of the implementation of the framework for capacity-building in developing countries, taking into account decisions 1/CP.16 and 2/CP.17 as they relate to capacity-building, at the forty-second session of the Subsidiary Body for Implementation (June 2015) with a view to completing the review at the twenty-second session of the Conference of the Parties (November–December 2016).

*10th plenary meeting  
9 December 2011*

Decision 15/CMP.7  
(FCCC/KP/CMP/2011/10/Add.2)

## Capacity-building under the Kyoto Protocol

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 6/CMP.4 and 11/CMP.6,

*Acknowledging* that capacity-building for developing countries is essential to enable them to participate in the implementation of the Kyoto Protocol,

*Having considered* the information in documents prepared by the secretariat in support of the second comprehensive review of the implementation of the framework for capacity-building in developing countries established under decision 2/CP.7,<sup>1</sup>

*Noting* that key needs remain to be addressed to enable developing countries, in particular the least developed countries, African countries and small island developing States, to effectively participate in the clean development mechanism,

*Reaffirming* the importance of taking into account gender aspects and acknowledging the role and needs of youth and persons with disabilities in capacity-building activities,

*Noting* that a range of the priority areas identified in decisions 29/CMP.1 and 2/CP.7 are being addressed by Parties and multilateral and bilateral agencies, especially as they relate to building capacity to develop and implement clean development mechanism project activities,

*Recalling* the commitment of Parties to the Kyoto Protocol, welcoming the role the private sector plays in implementing the capacity-building activities identified in decisions 29/CMP.1 and 2/CP.7 and encouraging the private sector to continue its work in this field,

1. *Decides* that the scope of needs and priority areas identified in the framework for capacity-building in developing countries

---

<sup>1</sup> FCCC/SBI/2009/MISC.1, FCCC/SBI/2009/MISC.2, FCCC/SBI/2009/MISC.8, FCCC/SBI/2009/MISC.12/Rev.1, FCCC/SBI/2009/4, FCCC/SBI/2009/5, FCCC/SBI/2011/15 and FCCC/KP/CMP/2011/3 (Parts I and II).

established under decision 2/CP.7, and the priority areas for capacity-building relating to the participation of developing countries in the clean development mechanism contained in decision 29/CMP.1, remain relevant and continue to be the basis for and to guide the implementation of capacity-building activities in developing countries;

2. *Encourages* Parties to further improve the implementation of capacity-building activities relating to the implementation of the Kyoto Protocol and to report on the effectiveness and sustainability of related capacity-building programmes;

3. *Invites* Parties that are in a position to do so, multilateral, bilateral and international agencies and the private sector to continue to provide technical and financial resources in a coordinated manner to support capacity-building activities in developing countries as they relate to the implementation of the Kyoto Protocol, addressing the following challenges, inter alia:

(a) The geographical distribution of clean development mechanism project activities;

(b) The lack of technical expertise to estimate changes in carbon stock in soils;

(c) The need to train and retain experts to plan and implement project activities;

4. *Invites* Parties included in Annex II to the Convention in a position to do so to provide capacity-building support for the planning and implementation of clean development mechanism project activities at the national and regional levels, as appropriate;

5. *Decides* that the further implementation of the framework for capacity-building in developing countries should be improved at the systemic, institutional and individual levels, as appropriate, by:

(a) Ensuring consultations with stakeholders throughout the entire process, from the design of the clean development mechanism project activities to their implementation;

(b) Enhancing the integration of capacity-building needs relating to participation in the Kyoto Protocol into national development strategies and plans;

(c) Increased country-driven coordination of capacity-building activities;

(d) Strengthened networking and information sharing among developing countries, especially through South–South and triangular cooperation;

6. *Encourages* cooperative efforts between developing country Parties and developed country Parties to conceptualize and implement capacity-building activities relating to participation in the clean development mechanism;

7. *Also encourages* relevant intergovernmental and non-governmental organizations, in particular the United Nations Development Programme, the United Nations Environment Programme, the World Bank, the African Development Bank, the Economic Commission for Africa, the United Nations Conference on Trade and Development, the United Nations Institute for Training and Research and the UNFCCC secretariat, to continue enhancing and coordinating their capacity-building activities under the Nairobi Framework,<sup>2</sup> including support for building skills;

8. *Decides* to conclude the second comprehensive review and initiate the third comprehensive review of the implementation of the framework for capacity-building in developing countries, taking into account decisions 1/CP.16 and 2/CP.17 as they relate to capacity-building, at the forty-second session of the Subsidiary Body for Implementation (June 2015), with a view to completing the review at the twelfth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (November–December 2016).

*10th plenary meeting  
9 December 2011*

---

<sup>2</sup> <[http://cdm.unfccc.int/Nairobi\\_Framework/index.html](http://cdm.unfccc.int/Nairobi_Framework/index.html)>.





## **The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention**

### **IV. Finance, technology and capacity-building**

#### **A. Finance**

*The Conference of the Parties,*

95. *Takes note* of the collective commitment by developed countries to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012, with a balanced allocation between adaptation and mitigation; funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa;

96. *Invites*, in order to enhance transparency, developed country Parties to submit to the secretariat for compilation into an information document, by May 2011, 2012 and 2013, information on the resources provided to fulfil the commitment referred to in paragraph 95 above, including ways in which developing country Parties access these resources;

97. *Decides* that, in accordance with the relevant provisions of the Convention, scaled-up, new and additional, predictable and adequate funding shall be provided to developing country Parties, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change;

98. *Recognizes* that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries;

99. *Agrees* that, in accordance with paragraph 1(e) of the Bali Action Plan, funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

100. *Decides* that a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund, referred to in paragraph 102 below;

101. *Takes note* of the relevant reports on the financing needs and options for the mobilization of resources to address the needs of developing country Parties with regard to climate change adaptation and mitigation, including the report of the High-level Advisory Group on Climate Change Financing;

102. *Decides* to establish a Green Climate Fund, to be designated as an operating entity of the financial mechanism of the Convention under Article 11, with arrangements to be concluded between the Conference of the Parties and the Green Climate Fund to ensure that it is accountable to and functions under the guidance of the Conference of the Parties, to support projects, programmes, policies and other activities in developing country Parties using thematic funding windows;

103. *Also decides* that the Fund shall be governed by a Board of 24 members, comprising an equal number of members from developing and developed country Parties; representation from developing country Parties shall include representatives of relevant United Nations regional groupings and representatives of small island developing States and the least developed countries; each Board member shall have an alternate member; with alternate members entitled to participate in the meetings of the board only through the principal member, without the right to vote, unless they are serving as the member; during the absence of the member from all or part of a meeting of the Board, his or her alternate shall serve as the member;

104. *Further decides* that the Green Climate Fund shall have a trustee; the trustee for the Green Climate Fund shall have the administrative competence to manage the financial assets of the Green Climate Fund, maintain appropriate financial records and prepare financial statements and other reports required by the Board of the Green Climate Fund, in accordance with internationally accepted fiduciary standards;

105. *Decides* that the trustee shall administer the assets of the Green Climate Fund only for the purpose of, and in accordance with, the relevant decisions of the Green Climate Fund Board; the trustee shall hold the assets of the Green Climate Fund separate and apart from the assets of the trustee, but may commingle them for administrative and investment purposes with other assets maintained

by the trustee; and the trustee shall establish and maintain separate records and accounts to identify the assets of the Green Climate Fund;

106. *Decides* that the trustee shall be accountable to the Green Climate Fund Board for the performance of its fiduciary responsibilities;

107. *Invites* the World Bank to serve as the interim trustee for the Green Climate Fund, subject to a review three years after operationalization of the Fund;

108. *Decides* that the operation of the Fund shall be supported by an independent secretariat;

109. *Also decides* that the Green Climate Fund shall be designed by a Transitional Committee in accordance with the terms of reference contained in appendix III to this decision; the Transitional Committee shall have 40 members, with 15 members from developed country Parties and 25 members from developing country Parties as follows:

- (a) Seven members from Africa;
- (b) Seven members from Asia;
- (c) Seven members from Group of Latin America and the Caribbean;
- (d) Two members from small island developing States;
- (e) Two members from the least developed countries;

110. *Invites* the Executive Secretary of the secretariat, in consultation with the President of the Conference of the Parties, to convene the initial meeting of the Transitional Committee, with members having the necessary experience and skills, notably in the area of finance and climate change; the meetings of the Transitional Committee will be open to observers;

111. *Requests* the secretariat, in consultation with the President of the Conference of the Parties, to make arrangements enabling relevant United Nations agencies, international financial institutions and multilateral development banks, along with the secretariat and the Global Environment Facility, to second staff to support the work of the Transitional Committee for the design phase of the Green Climate Fund;

112. Decides to establish a Standing Committee under the Conference of the Parties to assist the Conference of the Parties in exercising its functions with respect to the financial mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism, mobilization of financial resources and measurement, reporting and verification of support provided to developing country Parties; Parties agree to further define the roles and functions of this Standing Committee;

---

Decision 1/CP.16  
(FCCC/CP/2010/7/Add.1)

**The Cancun Agreements: Outcome of the work of the  
Ad Hoc Working Group on Long-term Cooperative  
Action under the Convention**

*The Conference of the Parties,*

*Recalling* its decision 1/CP.13 (the Bali Action Plan) and decision 1/CP.15,

*Seeking* to secure progress in a balanced manner, with the understanding that, through this decision, not all aspects of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention are concluded, and that nothing in this decision shall prejudice prospects for, or the content of, a legally binding outcome in the future,

*Reaffirming* the commitment to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012, in order to achieve the ultimate objective of the Convention,

*Recalling* the principles, provisions and commitments set forth in the Convention, in particular its Articles 3 and 4,

*Recognizing* that climate change represents an urgent and potentially irreversible threat to human societies and the planet, and thus requires to be urgently addressed by all Parties,

*Affirming* the legitimate needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty, so as to be able to deal with climate change,

*Noting* resolution 10/4 of the United Nations Human Rights Council on human rights and climate change, which recognizes that the adverse effects of climate change have a range of direct and indirect implications for the effective enjoyment of human rights and that the effects of climate change will be felt most acutely by those segments of the population that are already vulnerable owing to geography, gender, age, indigenous or minority status, or disability,

## IV. Finance, technology and capacity-building

### C. Capacity-building

*Reaffirming* that capacity-building is essential to enable developing country Parties to participate fully in addressing the challenges of climate change, and to implement effectively their commitments under the Convention,

*Recalling* the provisions related to capacity-building for developing country Parties contained in relevant decisions adopted by the Conference of the Parties, especially decision 2/CP.7,

*Taking into account* that the scope of capacity-building and related needs as contained in the annex to decision 2/CP.7 and the key factors identified in decision 2/CP.10 remain valid,

*Acknowledging* that capacity-building is cross-cutting in nature and an integral part of enhanced action on mitigation, adaptation, technology development and transfer, and access to financial resources,

*Also acknowledging* that, in addition, there may be specific capacity-building activities that require support to enable developing countries to undertake the enhanced implementation of the Convention,

*Reaffirming* that capacity-building should be a continuous, progressive and iterative process that is participatory, country-driven and consistent with national priorities and circumstances,

130. *Decides* that capacity-building support to developing country Parties should be enhanced with a view to strengthening endogenous capacities at the subnational, national or regional levels, as appropriate, taking into account gender aspects, to contribute to the achievement of the full, effective and sustained implementation of the Convention, by, inter alia:

(a) Strengthening relevant institutions at various levels, including focal points and national coordinating bodies and organizations;

(b) Strengthening networks for the generation, sharing and management of information and knowledge, including through North–South, South–South and triangular cooperation;

(c) Strengthening climate change communication, education, training and public awareness at all levels;

(d) Strengthening integrated approaches and the participation of various stakeholders in relevant social, economic and environmental policies and actions;

(e) Supporting existing and emerging capacity-building needs identified in the areas of mitigation, adaptation, technology development and transfer, and access to financial resources;

131. *Also decides* that financial resources for enhanced action on capacity-building in developing country Parties should be provided by Parties included in Annex II to the Convention and other Parties in a position to do so through the current and any future operating entities of the financial mechanism, as well as through various bilateral, regional and other multilateral channels, as appropriate;

132. *Encourages* developed country Parties to continue to report through their national communications, in accordance with the “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications”, on the support they have provided for capacity-building in developing country Parties;

133. *Invites* developed country Parties in a position to do so to provide information, through annual submissions to the secretariat and other appropriate channels, on the support they have provided for capacity-building in developing country Parties;

134. *Encourages* developing country Parties to continue to report through their national communications, in accordance with the “Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention”, on progress made in enhancing their capacity to address climate change, including on the use of the support received;

135. *Invites* developing country Parties in a position to do so to provide information, through annual submissions to the secretariat and other appropriate channels, on progress made in enhancing their capacity to address climate change, including on the use of the support received;

136. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to consider ways to further enhance the monitoring and review of the effectiveness of capacity-

building, for consideration by the Conference of the Parties at its seventeenth session;

137. *Also requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to further elaborate the modalities regarding institutional arrangements for capacity-building, for consideration by the Conference of the Parties at its seventeenth session;

## **Parties included in Annex I to the Convention whose special circumstances are recognized by the Conference of the Parties**

*Recalling* decision 26/CP.7 that amended the list in Annex II to the Convention by deleting the name of Turkey,

*Recalling* decision 26/CP.7 that invited Parties to recognize the special circumstances of Turkey, which place Turkey in a situation different from that of other Parties included in Annex I to the Convention,

*Recognizing* that Turkey is in a situation different from that of other Parties included in Annex I to the Convention,

*Noting* that Turkey is not included in Annex II to the Convention and as such is not subject to the commitments of Article 4, paragraphs 3–5, of the Convention and that Turkey is eligible for support under Article 4, paragraph 5, of the Convention,

*Taking note* of the submission from Turkey contained in document FCCC/AWGLCA/2010/MISC.8,

142. *Requests* the Ad Hoc Working Group on Long-term Cooperative Action under the Convention to continue consideration of these issues with a view to promoting access by Turkey to finance, technology and capacity-building in order to enhance its ability to better implement the Convention;

*9th plenary meeting*  
*10–11 December 2010*



Decision 10/CP.16  
(FCCC/CP/2010/7/Add.2)

**Capacity-building under the Convention for  
developing countries**

*The Conference of the Parties,*

*Recalling* decision 8/CP.15,

1. *Requests* the Subsidiary Body for Implementation to continue its consideration of the second comprehensive review of the implementation of the framework for capacity- building in developing countries at its thirty-fourth session on the basis of the draft text contained in the annex to this decision, with a view to preparing a draft decision on the outcome of this review for adoption by the Conference of Parties at its seventeenth session;

2. *Decides* to complete the consideration of the second comprehensive review at its seventeenth session.

[English only]

---

## Annex

### Draft decision -/CP.16

## Capacity-building under the Convention for developing countries

*[The Conference of the Parties,*

*Recalling* decisions 2/CP.7, 2/CP.10, 4/CP.12, 6/CP.14 and 8/CP.15,

*Acknowledging* that capacity-building for developing countries is essential to enable them to participate fully in, and implement effectively their commitments under, the Convention,

*Reaffirming* that decision 2/CP.7 remains effective and should continue to guide the implementation of capacity-building activities in developing countries,

*Noting* that a range of the priority issues identified in the framework for capacity-building in developing countries is being supported by Parties included in Annex II of the Convention, the Global Environment Facility and other multilateral, bilateral and international agencies, [the private sector] and intergovernmental and non-governmental organizations,

*[Also noting* that gaps still remain and the availability of and access to financial and technical resources is still an issue to be addressed, in order to progress qualitatively and quantitatively on the capacity-building implementation,]

*[Acknowledging* that capacity-building is a country-driven and learning-by-doing process that responds to the specific needs and priorities of the countries concerned,

*Having considered* the information in documents prepared by the secretariat in support of the second comprehensive review of the implementation of the framework for capacity-building in developing countries and submissions by Parties on the issue,<sup>1]</sup>

1. *Decides* that the scope of needs and priority areas identified in the framework for capacity-building in developing countries, as

---

<sup>1</sup> FCCC/SBI/2009/MISC.1, FCCC/SBI/2009/MISC.2, FCCC/SBI/2009/MISC.8, FCCC/SBI/2009/MISC.12/Rev.1, FCCC/SBI/2009/4, FCCC/SBI/2009/5 and FCCC/SBI/2009/10.

contained in decision 2/CP.7, and the key factors identified in decision 2/CP.10 are still relevant;

2. *Further decides* that new capacity-building needs and priorities in developing countries emerging from the processes and initiatives launched after the completion of the first comprehensive review as well as from the negotiations under the Ad Hoc Working Group on Long-term Cooperative Action under the Convention will need to be taken into account in the further implementation of the framework for capacity-building in developing countries;

3. *Also decides* that further implementation of the framework for capacity-building in developing countries should be improved at the systemic, institutional and individual levels as appropriate, by:

(a) Ensuring consultations with stakeholders throughout the entire process of activities, from the design of activities to their implementation and monitoring and evaluation;

(b) Enhancing integration of climate change issues and capacity-building needs into national development strategies, plans and budgets;

(c) Increased country-driven coordination of capacity-building activities;

(d) Strengthened networking and information sharing among developing countries, especially through South-South and triangular cooperation;

(e) [Building on existing skills and capacities [, where available,] [, as appropriate,] related to development [and implementation of capacity-building activities] [and delivery of reporting, including national communications [and inventories]];

(e bis) Developing and/or strengthening skills and capacities related to the implementation of climate change related activities;]

(f) [Strengthening local, national and regional research institutions;]

[4. Decides to establish an expert group on capacity-building with the terms of reference contained in the annex to this decision;]

[5. *Further decides* that the next and subsequent comprehensive reviews of the framework for capacity-building in developing countries will be undertaken using simple[, practical and cost-effective] [and effective] performance indicators developed by the expert group referred to in paragraph 7 above;]

[6. *Requests* the secretariat to improve the process for regularly gathering and disseminating information on capacity-building activities in developing countries, recognizing the usefulness of information on capacity-building deriving from the compilation and synthesis of national communications, annual submissions by Parties and other documents relevant to this effort, in collaboration with the Global Environment Facility and its agencies and bilateral and multilateral agencies, as appropriate;]

7. *Invites* Parties to enhance reporting on best practices related to capacity-building in their national communications, submissions and other relevant documents, with a view to furthering learning and broadening the impact of capacity-building activities;

8. [*Requests*] [Reiterates the request to] the Global Environment Facility, as an operating entity of the financial mechanism, to [increase] [continue to provide financial] [its] support to capacity-building activities in developing countries in accordance with decisions 2/CP.7 and 4/CP.9;

9. *Urges* Parties included in Annex II to the Convention and other Parties that are in a position to do so, multilateral, bilateral and international agencies and the private sector to continue providing financial resources to support capacity-building action in developing countries;

10. *Invites* relevant United Nations agencies and intergovernmental organizations to continue providing support for capacity-building efforts in developing countries, emphasizing and stressing the need for full involvement of developing countries in the conception and development of such activities;

11. *Requests* the Subsidiary Body of Implementation, at its fortieth session, to initiate a third comprehensive review of the implementation of the framework for capacity-building in developing countries, with a view to completing the review at the twenty-first session of the Conference of the Parties.]

*9th plenary meeting  
10.11 December 2010*

Decision 5/CMP.6  
(FCCC/KP/CMP/2010/12/Add.1)

## **Report of the Adaptation Fund Board**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Also recalling* decisions 3/CMP.1, 28/CMP.1, 5/CMP.2, 1/CMP.3, 1/CMP.4 and 4/CMP.5,

*Taking note* of the report of the Adaptation Fund Board,<sup>1</sup>

1. *Adopts* the amendments to 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, on an interim basis, in accordance with decision 1/CMP.4, as contained in the annex to this decision;
2. *Requests* the Chair of the Adaptation Fund Board to inform the Board of Directors of the International Bank for Reconstruction and Development of the amendments to the terms and conditions of services to be provided by the International Bank for Reconstruction and Development as interim trustee for the Adaptation Fund;
3. *Expresses its appreciation* to the Government of Germany for conferring legal capacity on the Adaptation Fund Board, which will facilitate the implementation of the direct access modality to resources from the Adaptation Fund;
4. *Welcomes* the support from the Governments of Finland, France, Japan, Norway and Switzerland in transferring their pro rata share of the balance of the Administrative Trust Fund of the Adaptation Fund as a contribution to the Adaptation Fund Trust Fund;
5. *Also welcomes* the financial support provided by the Governments of Germany, Monaco, Spain and Sweden in accordance with decision 4/CMP.5, paragraph 9;
6. *Continues to encourage* Parties included in Annex I to the Convention (Annex I Parties) and international organizations to

---

<sup>1</sup> FCCC/KP/CMP/2010/7.

provide funding to the Adaptation Fund, which will be additional to the share of proceeds from clean development mechanism project activities;

7. *Takes note with appreciation* of the work carried out by the Adaptation Fund Board concerning:

(a) The inception of the process of accreditation of implementing entities, including the accreditation of national implementing entities that can access resources from the Adaptation Fund directly;

(b) Progress on the monetization of certified emission reductions;

(c) The approval of two full proposals and the endorsement of concept documents for six projects;

8. *Requests* the secretariat, subject to the availability of resources, in consultation with the Adaptation Fund Board, and making use of the Adaptation Fund Accreditation Toolkit, lessons learned and best practices, to conduct up to three regional or subregional, as appropriate, workshops, with the possibility of another, as circumstances permit and as warranted, in order to familiarize Parties with the process and the requirements of the accreditation of national implementing entities;

9. *Also requests* the secretariat to collaborate with the Adaptation Fund Board secretariat in the conduct of and dissemination of information on the workshops referred to in paragraph 8 above, taking into consideration the need to target workshops to potential national implementing entities;

10. *Invites* Annex I Parties and international organizations and other Parties in a position to do so to provide funding and support for the workshops referred to in paragraph 8 above;

11. *Requests* the secretariat to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighth session on efforts to implement paragraphs 8, 9 and 10 above and the outcomes of the workshops, in order for Parties to assess the efficiency and effectiveness of the workshops at that session.

## **Annex**

### **Amendments 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 should be revised as follows:

The Trustee's role as trustee servicing the Adaptation Fund under the Terms and Conditions shall be automatically terminated three months after the ninth session of the CMP, 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.

2. Paragraph 38 of the appendix to annex III to decision 1/CMP.4 should be revised as follows:

The Terms and Conditions or any amendments to the same shall become effective and constitute an agreement between the CMP and the World Bank upon decisions by the CMP and the World Bank to adopt and accept the Terms and Conditions or any amendments to the same.

10<sup>th</sup> plenary meeting  
10–11 December 2010

Decision 11/CMP.6  
(FCCC/KP/CMP/2010/12/Add.1)

**Capacity-building under the Kyoto Protocol for  
developing countries**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decision 7/CMP.5,

1. *Requests* the Subsidiary Body for Implementation to continue its consideration of the second comprehensive review of the implementation of the framework for capacity-building in developing countries at its thirty-fourth session on the basis of the draft text contained in the annex to this decision, with a view to preparing a draft decision on the outcome of this review for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventh session;
2. *Decides* to complete the consideration of the second comprehensive review at its seventh session.



# Annex

## Draft decision -/CMP.6

### [Capacity-building under the Kyoto Protocol

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 6/CMP.4 and 7/CMP.5,

*Acknowledging* that capacity-building for developing countries is essential to enable them to participate in the implementation of the Kyoto Protocol,

*Noting* that a range of the priority areas identified in decisions 29/CMP.1 and 2/CP.7 are being addressed by Parties, multilateral and bilateral agencies [and the private sector], especially building capacity to develop and implement clean development mechanism project activities,

*Also noting* the [importance of the private sector] [role [that may be] [to be] played by the private sector] [additional role that may be played by the private sector] in building capacity to develop and implement clean development mechanism project activities,

*Acknowledging* the work undertaken in the context of the Nairobi Framework to catalyse the clean development mechanism in Africa [and the need to move the process further,]

*Also noting* that key needs remain to be addressed to enable developing countries, in particular the least developed countries, African countries and small island developing States [and other vulnerable regions and countries], to effectively participate in the clean development mechanism,

*Having considered* the information in documents prepared by the secretariat in support of the second comprehensive review of the implementation of the framework for capacity-building in developing countries,<sup>1</sup>

---

<sup>1</sup> FCCC/SBI/2009/MISC.1, FCCC/SBI/2009/MISC.2, FCCC/SBI/2009/MISC.8, FCCC/SBI/2009/MISC.12/Rev.1, FCCC/SBI/2009/4, FCCC/SBI/2009/5 and FCCC/SBI/2009/10.

1. *Decides* that the scope of capacity-building needs, as contained in the framework for capacity-building in developing countries,<sup>2</sup> the key factors identified in decision 2/CP.10 and the priority areas for capacity-building relating to the participation of developing countries in the clean development mechanism contained in decision 29/CMP.1 are still relevant;

2. *Encourages* Parties to further improve the implementation of capacity-building activities relating to the implementation of the Kyoto Protocol and to report on the effectiveness and sustainability of related capacity-building programmes;

3. [*Urges*] [*Invites*] Parties that are in a position to do so, multilateral, bilateral and international agencies and the private sector to continue to provide technical and financial resources in a coordinated manner to support capacity-building activities in developing countries as they relates to the implementation of the Kyoto Protocol, addressing the following challenges, inter alia:

(a) *Geographical* distribution of clean development mechanism project activities;

(b) Lack of *technical* expertise to estimate changes in carbon stock in soil;

(c) The need to train and retain experts to plan and implement project activities;

4. *Invites* Parties included in Annex II of the Convention in a position to do so to provide capacity-building support for the planning and implementation of clean development mechanism project activities at the national and regional levels, as appropriate;

5. *Decides* that further implementation of the framework for capacity-building in developing countries should be improved at the systemic, institutional and individual level, as appropriate, by:

(a) *Ensuring* consultations with stakeholders throughout the entire process, from the design of clean development mechanism project activities to their implementation;

(b) *Enhancing* integration of capacity-building needs relating to participation in the Kyoto Protocol into national development strategies and plans;

---

<sup>2</sup> Decision 2/CP.7.

(c) *Increased* country-driven coordination of capacity-building activities;

(d) *Strengthened* networking and information sharing among developing countries, especially through South-South and triangular cooperation;

6. *Encourages* cooperative efforts between developing country Parties and developed country Parties to conceptualize and implement capacity-building activities relating to participation in the clean development mechanism;

7. *Encourages* relevant intergovernmental and non-governmental organizations, in particular the United Nations Development Programme, the United Nations Environment Programme, the World Bank Group, the African Development Bank and the secretariat of the UNFCCC, to continue enhancing and coordinating their capacity-building activities under the Nairobi Framework,<sup>3</sup> including support for building skills;

8. *Decides* to initiate a third comprehensive review of the implementation of the framework for capacity-building in developing countries at the fortieth session of the Subsidiary Body for Implementation, with a view to completing it at the eleventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

9. *Requests* the Subsidiary Body for Implementation to develop terms of reference for the third comprehensive review at its fortieth session.]

*10th plenary meeting  
10.11 December 2010*

---

<sup>3</sup> <[http://cdm.unfccc.int/Nairobi\\_Framework/index.html](http://cdm.unfccc.int/Nairobi_Framework/index.html)>.



## Capacity-building under the Convention

*The Conference of the Parties,*

*Recalling* decision 6/CP.14,

1. *Requests* the Subsidiary Body for Implementation to continue its consideration of the second *comprehensive* review of the implementation of the framework for capacity-building in developing *countries* at its thirty-second session, with a view to preparing a draft decision on the outcome of this review for *adoption* by the Conference of Parties at its sixteenth session;
2. *Decides* to complete *the* consideration of the second comprehensive review at its sixteenth *session*.

*9th plenary meeting  
18–19 December 2009*

---

## Report of the Adaptation Fund Board

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Recalling* decision 10/CP.7,

*Reaffirming* decisions 3/CMP.1, 28/CMP.1, 5/CMP.2, 1/CMP.3 and 1/CMP.4,

*Takes note with appreciation* of the report of the Adaptation Fund Board<sup>1</sup> and the significant progress the Board has made in the operationalization of the Adaptation Fund,

*Expressing its appreciation* to the Governments of Barbados and Germany for their generous offers to confer legal capacity on the Adaptation Fund Board,

1. *Endorses* the decision of the Adaptation Fund Board to accept the offer of Germany to confer legal capacity on the Adaptation Fund Board;<sup>2</sup>
2. *Invites* the Government of Germany to take the necessary measures to confer legal capacity on the Adaptation Fund Board;
3. *Requests* the Adaptation Fund Board to consult further with the Government of Germany to conclude the necessary legal arrangements to confer legal capacity on the Adaptation Fund Board, and to report back on progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its sixth session;
4. *Decides* that the Chair and Vice-Chair of the Adaptation Fund Board shall jointly serve as legal representatives of the Board;

---

<sup>1</sup> FCCC/KP/CMP/2009/14.

<sup>2</sup> See decision B.7-8/1 of the Adaptation Fund Board, available at <<http://afboard.org/index.html>>.

5. *Adopts* the amendments to the rules of procedure of the Adaptation Fund Board, as contained in the annex to this decision, in accordance with the provisions in decision 1/CMP.4, annex I, paragraph 64;

6. *Takes note with appreciation* of the work carried out by the Adaptation Fund Board concerning:

(a) The adoption of the operational policies and guidelines for Parties to access resources from the Adaptation Fund, in accordance with decisions 1/CMP.3 and 1/CMP.4;

(b) The monetization of certified emission reductions in accordance with decision 1/CMP.3;

7. *Takes note of* the approval by the Council of the Global Environment Facility of the memorandum of understanding between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Council of the Global Environment Facility regarding secretariat services to the Adaptation Fund Board;

8. *Also takes note of* the approval by the Board of Directors of the International Bank for Reconstruction and Development (the World Bank) of the terms and conditions of services to be provided by the International Bank for Reconstruction and Development as trustee for the Adaptation Fund;

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 share of the proceeds from Clean Development Mechanism project activities.

# Annex

## Amendments to the rules of procedure of the Adaptation Fund Board

1. Paragraph 2 (h) should be revised as follows:

“Secretariat” is a body appointed by the CMP to provide secretariat services to the Board and to the Fund, consistent with decision 1/CMP.3, paragraphs 3, 18, 19 and 31;

2. Paragraph 2 (j) should be revised as follows:

“Implementing entities” means the national legal entities and multilateral 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, paragraph 5 (c), to access funding to implement concrete adaptation projects and programmes supported by the Fund;

3. Paragraph 2 (k) should be revised as follows:

“Executing entities” are organizations that ~~meet the criteria set by the Board to access funding to implement concrete adaptation projects and programmes supported by the Fund, subject to such audit mechanisms and due diligence criteria as established by the Board~~ execute adaptation projects and programmes supported by the Fund under the oversight of implementing entities.

4. Paragraph 5 should be revised as follows:

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. 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;

5. Paragraph 10 should be revised as follows:

The Board shall elect the Chair and Vice-Chair from among its members, with one being from an Annex I Party and the other being from a non-Annex I Party. The term of office of the Chair and Vice-Chair shall be one ~~calendar~~ year, starting at the first meeting of the Board in each 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.

*12<sup>th</sup> plenary meeting*  
18–19 December 2009



## Decision 7/CMP.5

(FCCC/KP/CMP/2009/21/Add.1)

### **Capacity-building under the Kyoto Protocol**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decision 6/CMP.4,

1. *Requests the* Subsidiary Body for Implementation to continue its consideration of the second *comprehensive* review of the implementation of the framework for capacity-building in developing countries at its thirty-second session, with a view to preparing a draft decision on the outcome of this review for *adoption* by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its *sixth* session;

2. *Decides* to complete the consideration of the second comprehensive review at its sixth *session*.

*12th plenary meeting  
18–19 December 2009*



Decision 6/CP.14  
(FCCC/CP/2008/7/Add.1)

**Capacity-building for developing countries under the  
Convention**

*The Conference of the Parties,*

*Recalling* decisions 4/CP.9, 9/CP.9 and 4/CP.12,

*Reaffirming* that decision 2/CP.7 is the basis for and guides the implementation of capacity-building activities in developing countries,

*Further recalling* decision 2/CP.10 to initiate a second comprehensive review of the implementation of the framework for capacity-building in developing countries at the twenty-eighth session of the Subsidiary Body for Implementation with a view to completing this review at the fifteenth session of the Conference of the Parties,

*Having considered* the conclusions of the Subsidiary Body for Implementation at its twenty-eighth session relating to capacity-building for developing countries under the Convention,<sup>1</sup>

*Having taken note* of the terms of reference for the second comprehensive review of the implementation of the framework for capacity-building in developing countries,<sup>2</sup>

1. *Requests* the Subsidiary Body for Implementation to prepare, at its thirtieth session, in accordance with the terms of reference for the second comprehensive review of the implementation of the framework for capacity-building in developing countries, a draft decision on the outcome of this review for adoption by the Conference of the Parties at its fifteenth session;

2. *Decides* to take into account, in the second comprehensive review, recommendations made by the Subsidiary Body for Implementation at its thirtieth session on further steps to regularly monitor and evaluate capacity-building activities undertaken pursuant to decisions 2/CP.7 and 4/CP.12.

*7th plenary meeting  
12 December 2008*

---

<sup>1</sup> FCCC/SBI/2008/8, paragraphs 69.75.

<sup>2</sup> FCCC/SBI/2008/8, annex IV.

## **Report of the Adaptation Fund Board**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Recalling also* decisions 3/CMP.1, 28/CMP.1, 5/CMP.2 and 1/CMP.3,

*Noting with appreciation* the first report of the Adaptation Fund Board,<sup>1</sup>

*Stressing* the importance of operationalizing all aspects of the Adaptation Fund, in particular to enable eligible Parties and implementing entities and executing entities chosen by governments, which meet the criteria to be adopted by the Adaptation Fund Board, to submit project proposals for funding directly to the Adaptation Fund Board,

*Welcoming* the intention of the Adaptation Fund Board to start monetizing the certified emission reductions in early 2009,

*Expressing its appreciation* to the Adaptation Fund Board for having carried out the functions of its work plan, in accordance with decisions 5/CMP.2 and 1/CMP.3, and urge it to continue to do so with a view to fully operationalizing the Adaptation Fund,

*Recognizing* the importance of the lessons learned in supervising and managing the Adaptation Fund,

1. *Adopts* the rules of procedure of the Adaptation Fund Board as contained in annex I;
2. *Encourages* the Adaptation Fund Board to keep its rules of procedure under review and, if necessary, make recommendations concerning any amendments aimed at enabling the Adaptation Fund Board to function in an efficient, cost-effective and transparent manner;

---

<sup>1</sup> FCCC/KP/CMP/2008/2.

3. *Adopts* the memorandum of understanding between the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Council of the Global Environment Facility regarding secretariat services to the Adaptation Fund Board, on an interim basis, as contained in annex II;
4. *Adopts also* 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, on an interim basis, as contained in annex III to this decision;
5. *Requests* the Executive Secretary to inform the Council of the Global Environment Facility and the Board of Directors of the International Bank for Reconstruction and Development of the adoptions of the memorandum of understanding and the terms and conditions of services referred to in paragraphs 3 and 4 above;
6. *Adopts* the strategic priorities, policies and guidelines of the Adaptation Fund as contained in annex IV;
7. *Takes note* of the work carried out by the Adaptation Fund Board concerning:
  - (a) The development of specific operational policies and guidelines as referred to in decision 1/CMP.3, paragraph 5 (b);
  - (b) The development of the criteria to ensure that the executing entities have the capacity to implement the administrative and financial management guidelines of the Adaptation Fund as referred to in decision 1/CMP.3, paragraph 5 (c);
  - (c) The initialization of the monetization of the certified emission reductions;
  - (d) Legal arrangements to operationalize the Adaptation Fund, including the commissioning of a feasibility study to provide clarity as regards the question of legal status;
8. *Requests* the Adaptation Fund Board to accelerate the development, adoption and implementation, as a matter of priority, of the specific operational policies and guidelines referred to in paragraph 7 (a) above;
9. *Requests* the Adaptation Fund Board to accelerate the development, adoption and implementation, as a matter of priority, of the criteria referred to in decision 1/CMP.3, paragraph 30, with a view to starting the processing, including approval and disbursement of funds, of project proposals without delay, and to report back on

progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session;

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 at its fifth session;

11. *Decides* that the Adaptation Fund Board be conferred such legal capacity as necessary for the discharge of its functions with regard to direct access by eligible Parties and implementing and executing entities, in accordance with decision 1/CMP.3, paragraphs 29 and 30, in particular legal capacity to enter into contractual agreements and to receive project, activity and programme proposals directly and to process them in accordance with paragraph 7 (a) and (b) above, as appropriate, consistent with decisions 5/CMP.2 and 1/CMP.3;

12. *Decides also* that in the discharge of its functions the Adaptation Fund Board shall develop the criteria mentioned in decision 1/CMP.3, paragraph 30, in accordance with the principles and modalities listed in decision 5/CMP.2 and that eligible Parties and implementing and executing entities shall meet those criteria in order to access funding from the Adaptation Fund;

13. *Decides further* that the provisions contained in paragraph 11 above will be reviewed as part of the review envisaged in decision 1/CMP.3, paragraph 33, taking into account the feasibility study commissioned by the Adaptation Fund Board, with a view to taking a decision as may be appropriate;

14. *Requests* the Adaptation Fund Board to inform Parties of the operational policies, guidelines and procedures for application for funding for adaptation projects and programmes as soon as the Board has adopted them;

15. *Decides* that 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;

16. *Decides also* that terms as members do not count towards the terms as alternate members, and that terms as alternate members do not count towards the terms as members;

17. *Expresses its deep appreciation* to the Governments of Australia, Denmark, Finland, France, Japan, Norway, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland for their contributions to covering the administrative expenses for operating the Adaptation Fund in the interim phase;

18. *Expresses also its appreciation* to the United Nations Environment Programme for its contribution in support of the work of the Adaptation Fund Board;

19. *Urges* Parties to make contributions as a matter of urgency to the trust fund for the Adaptation Fund to cover the administrative expenses for operating the Adaptation Fund in the interim phase;

20. *Decides* that contributions from Parties shall be reimbursed, upon request, in accordance with a timetable to be determined by the Adaptation Fund Board, and subject to the availability of resources.<sup>2</sup>

---

<sup>2</sup> FCCC/KP/CMP/2008/2, annex V.

# **Annex I**

## **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 session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP). These rules become effective on their adoption by the CMP.

### **II. Definitions**

2. For the purpose of these rules:

(a) “Fund” means the Adaptation Fund pursuant to decision 10/CP.7 of the seventh session of the Conference of the Parties;

(b) “Board” means the Adaptation Fund Board, established by decision 1/CMP.3 of the third session of the CMP 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 CMP;

(c) “Member” means a representative elected by the CMP as a member of the Adaptation Fund Board, accorded the right to vote;

(d) “Alternate” means a representative elected by the CMP as an alternate for each member;

(e) “Meeting” means any meeting of the Adaptation Fund Board;

(f) “Chair” means the Board member elected as Chair of the Adaptation Fund Board, according to paragraph 10 of these rules;

(g) “Vice-Chair” means the Board member elected as Vice-Chair of the Adaptation Fund Board, according to paragraph 10 of these rules;

(h) “Secretariat” is a body appointed by the CMP to provide secretariat services to the Board and to the Fund, consistent with decision 1/CMP.3, paragraphs 3, 18, 19 and 31;

(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, paragraph 5 (c), to access funding to implement concrete adaptation projects and programmes 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 programmes 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 Kyoto Protocol;

(o) “Annex I Parties” means Parties included in Annex I to the Convention, as may be amended, or Parties which have made a notification under Article 4, paragraph 2(g), of the Convention;

(p) “Non-Annex I Parties” means Parties not included in Annex I to the Convention;

(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 at a session of the CMP on the Adaptation Fund as follows:

(s) Two representatives from each of the five United Nations regional groups;

(t) One representative of the small island developing States;

(u) One representative of the least developed country Parties;

(v) Two other representatives from Annex I Parties;

(w) 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 decision 1/CMP.3, paragraph 8.

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 CMP, to appoint another member, or an alternate member, from the same constituency to replace the said member for the remainder of that member's mandate. The Adaptation Fund Board shall request the relevant constituency 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 or 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 the 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 fulfil 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 CMP 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:

(x) 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;

(y) 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;

(z) 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 to the Adaptation Fund Board;

(aa) 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 CMP or with the sessions of subsidiary bodies under the UNFCCC, in which case the Board meeting may take

place in the country or 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 six 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. A 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 will 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 his or her 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 shall be witnessed by the Chair of the Adaptation Fund Board, and in the case of the Chair, by the Vice Chair of the Adaptation Fund Board. It 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 Board, 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 Board.

"I shall disclose immediately to the Adaptation Fund Board 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 Board and I shall refrain from participating in the work of the Adaptation Fund Board 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 Adaptation Fund Board, and shall recuse themselves from 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 a 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 members 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 e-mail 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 or 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 daily subsistence allowance (DSA), including full transit costs, at the standard United Nations DSA rate, 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 to reach 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 or 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 Board may propose to the CMP 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 Board shall recommend to the CMP 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 above. When the motion concerns the termination of the office of a 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 meetings may occur on an extraordinary basis when, in the judgement of the Chair and the 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 on the agenda for the next meeting.

59. Any intersessional decision shall be deemed to have been taken at the headquarters of the UNFCCC secretariat. The secretariat shall inform members 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 its meetings in all of the official United Nations 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 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 CMP.

## **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.

## **Annex II**

### **Legal arrangements for the secretariat of the Adaptation Fund Board**

#### **Introduction**

1. Article 12 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in defining a clean development mechanism, includes a provision to “ensure that a share of the proceeds from certified project activities is used to cover 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.” Further, by its decision 10/CP.7, the Conference of the Parties established the Adaptation Fund to “finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Protocol...”.

2. By its decision 1/CMP.3, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) established the Adaptation Fund Board as the operating entity of the Adaptation Fund. Decision 1/CMP.3, paragraph 19, “invites the Global Environment Facility (GEF) to provide secretariat services to the Adaptation Fund Board on an interim basis.”

3. The text of a draft Memorandum of Understanding (MOU) between the CMP and the Council of the GEF regarding secretariat services to the Adaptation Fund Board is presented in the appendix.

4. The form adopted is that of a MOU. An MOU is a form of arrangement that is often used to denote a firm, but not legally binding, commitment between two or more organizations. It provides that the arrangements described therein will become effective upon approval by the CMP and the Council of the GEF.

5. The MOU will be finalized upon mutual agreement by the CMP and the Council of the GEF.

## **APPENDIX**

# **MEMORANDUM OF UNDERSTANDING BETWEEN THE CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL AND THE COUNCIL OF THE GLOBAL ENVIRONMENT FACILITY REGARDING SECRETARIAT SERVICES TO THE ADAPTATION FUND BOARD**

## **I. Preamble**

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (hereinafter the CMP) having decided (decision 5/CMP.2) to establish the Adaptation Fund of the Kyoto Protocol (hereinafter the Fund) and having further decided (decision 1/CMP.3) that the operating entity of the Fund shall be the Adaptation Fund Board (hereinafter the Board) established to supervise and manage the Fund, and that the Board should develop and approve draft legal and administrative arrangements for secretariat services and the trustee for approval by the CMP (decision 1/CMP.3, paragraph 5 (j)), and having invited the Global Environment Facility (hereinafter the GEF) to provide secretariat services to the Board, on an interim basis,

Recognizing the willingness of the GEF to provide secretariat services to the Board (hereinafter the secretariat) on an interim basis,

Having consulted with each other and taking into account the relevant aspects of their governance structures, as reflected in their constituent instruments,

The CMP and the Council of the GEF (hereinafter the Council) have reached the following understanding in accordance with the recommendation of the Board:

## **II. Purpose**

1. The purpose of the present Memorandum of Understanding (hereinafter the MOU) is to make provisions for the relationship between the CMP and the Council and to fulfil Article 12 of the

Kyoto Protocol and decision 1/CMP.3 in connection with the provision of secretariat services as the secretariat.

### **III. Secretariat services**

2. The secretariat shall, under the guidance and instructions of the Board, provide the following services to the Board to support and facilitate the work of the Board:

a. As a dedicated team of officials, provide secretariat services to the Board in a functionally independent and effective manner;

b. Manage the daily operations of the Fund and report to the 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 the operational policies and guidelines of the Fund 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;

(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 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.

3. The head of the secretariat responsible for rendering the services shall be accountable to the Board.

#### **IV. Amendments**

4. Any amendments to the present MOU will be mutually agreed upon by the CMP and the Council. The Board may recommend to the CMP any amendments to the MOU.

#### **V. Interpretation**

5. If differences arise in the interpretation of the present MOU, the Council and the CMP or the Board, as appropriate, will consult each other and reach a mutually agreed solution.

#### **VI. Entry into effect**

6. The present MOU will come into effect upon adoption by the CMP and the Council. Either party may withdraw this MOU at any time by notification addressed to the other party. The withdrawal will take effect six months after the notification.

#### **VII. Review**

7. Decision 1/CMP.3, paragraph 32, provides for a review of the interim institutional arrangements after three years at the sixth session of the CMP. The present MOU will be reviewed in accordance with that decision. Following that review, this MOU may be modified to reflect any decisions mutually agreed by the CMP and by the Council.

## **Annex III**

### **Legal Arrangements between the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol and The International Bank for Reconstruction and Development (World Bank) Regarding the Services to be Provided by the Trustee for the Adaptation Fund**

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), by its decision 1/CMP.3, paragraph 31, requested the Adaptation Fund Board to develop the necessary legal arrangements to be concluded between the CMP and the trustee servicing the Adaptation Fund, and present the legal arrangements for adoption by the CMP.
2. In response to the above decision, the draft terms and conditions of services to be provided by the International Bank for Reconstruction and Development (the World Bank) as interim trustee for the Adaptation Fund (the World Bank in such capacity, the Trustee) (the Terms and Conditions), contained in the appendix, have been submitted to the Adaptation Fund Board for its consideration.
3. It is recommended that pursuant to decision 1/CMP.3, paragraph 31, the Adaptation Fund Board: (1) approve the draft Terms and Conditions; (2) recommend to the CMP, at its fourth session, to conclude the legal arrangement between the CMP and the World Bank by way of approving and accepting the terms and conditions, subject to approval and acceptance of the same by the World Bank; and (3) invite the World Bank to take any necessary action to accept the invitation to serve as the trustee, including seeking approval of the terms and conditions by the Board of Directors of the World Bank, following approval and acceptance of the same by the CMP.

## APPENDIX

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

### **I. Recitals**

a. A clean development mechanism (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 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 decision 5/CP.7, paragraph 8.

c. 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.

d. In decision 1/CMP.3, the CMP 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 CMP, 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 CMP and the trustee, for adoption by the CMP at its fourth session.

f. The CMP 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.

## **II. Terms and conditions**

### **A. 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 CMP and decisions of the Adaptation Fund Board. The Trustee shall be closely consulted in the development of decisions, taken by the CMP or the Adaptation Fund Board after the effective date of the Terms and Conditions, which relate 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 CMP hereby: (1) 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 CMP, and (2) 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 CMP 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 CMP, and shall have no liability for relying in good faith on any written decision, instruction, direction or guidance of the CMP, 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 CMP 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 CMP, is hereby authorized by the CMP 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, labour 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 CMP 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 CMP 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 CMP or the Adaptation Fund Board after the effective date of the Terms and Conditions relates 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. In the absence of such consultation with and the agreement of the Trustee, the Trustee shall not be bound by any decision of the CMP or the Adaptation Fund Board, to the extent that such a decision relates to the functions of the Trustee performed or to be performed under the Terms and Conditions.

13. The CMP 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 wilful 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 CMP agrees that the Trustee shall be reimbursed annually from the assets held for the Adaptation Fund, including the Trust Fund resources, for 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 sale of CERs, and any and all services provided hereunder, including attorneys' fees and expenses, 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 a 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 CMP which may concern the operations and activities of the Adaptation Fund. Further, the CMP hereby requests the secretariat servicing the Adaptation Fund Board in accordance with decision 1/CMP.3, and the secretariat of the Convention (the UNFCCC secretariat), to cooperate fully with the Trustee.

## **B. Administration of the Trust Fund**

17. The Trustee shall receive and hold in the Trust Fund any proceeds from the sale of 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 CMP and the Adaptation Fund Board.

19. In accordance with decision 1/CMP.3, paragraph 21, 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 programmes. 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 CMP 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, 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 any other such frequency agreed between the Trustee and the Adaptation Fund Board), and provide records and accounts of the Trust Fund for audit by its external auditors annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), in accordance with the policies and procedures of the Trustee. Furthermore, the Trustee shall prepare and furnish the Adaptation Fund Board with reports on the sale of the CERs for the Adaptation Fund and on the status of commitments and transfers of Trust Fund funds annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board).

### **C. Sales of certified emission reductions**

24. The CMP hereby authorizes the sale of 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 the 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 CERs from the CDM Account by granting to the Trustee any necessary power of attorney on behalf of the CMP, 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 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: (1) cause the transfer of the title to the CERs to the relevant third party purchasers upon receipt of payment in respect of the transfer; (2) enter into arrangements with the CDM Registry Administrator to effectuate such transfers of CERs; (3) engage with relevant service providers for the purposes of execution, clearance, settlement and other logistic matters in connection with the sale or the facilitation of the sale of CERs; and (4) take other such actions as

necessary to effectuate the sale of CERs for the benefit of the Adaptation Fund.

28. Sale of CERs and transfers of title in respect of such sales 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.

#### **D. Dispute Resolution: Notices**

29. The CMP 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 between the CMP 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: (1) the appointing authority shall be the Secretary-General of the Permanent Court of Arbitration; and (2) the language of the arbitral proceedings shall be English.

31. Any arbitral award under paragraph 30 above shall be final and binding upon the CMP 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 CMP 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. Any such notice or request shall be deemed to have been duly given or made once it has been delivered by hand, mail, facsimile or, if so designated by the Parties, by other electronic means, to the World Bank or the UNFCCC secretariat, in case of the CMP, 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 CMP, giving such notice or making such request. Deliveries made by facsimile or other electronic means shall also be confirmed by mail.

#### **E. Amendment and termination**

33. Any amendment to the Terms and Conditions shall become effective only upon approval and acceptance by the CMP 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 CMP, 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.

35. Notwithstanding paragraph 34 above, the CMP 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 notice in writing of the termination of the appointment.

36. Notwithstanding paragraph 34 above, the Trustee may at any time terminate its role as trustee servicing the Adaptation Fund by giving the CMP notice in writing no less than three months prior to any session of the CMP. The Trustee's role as trustee servicing the Adaptation Fund shall be terminated immediately after the session of the CMP which immediately follows the notice by the Trustee. In the event that no session of the CMP is held within 12 months of the Trustee giving notice, however, the Trustee's role shall be terminated 12 months after the Trustee has given notice.

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 CMP 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 have been wound up.

## **F. Effectiveness**

38. The Terms and Conditions shall become effective and constitute agreement between the CMP and the World Bank upon decisions by the CMP and the World Bank to adopt and accept the Terms and Conditions.

## **Annex IV**

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

#### **I. Background**

1. The Conference of the Parties decided by its decision 10/CP.7 to establish an adaptation fund (the Adaptation Fund) to finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Kyoto Protocol, as well as activities identified in 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.

#### **II. 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;
  - 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 Nairobi work programme on impacts, vulnerability and adaptation to climate change.

8. In developing projects and programmes, special attention shall be given by eligible Parties to the particular needs of the most vulnerable communities.

### **III. 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 Fund 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. Consistency 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. Meeting 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. Avoiding duplication with other funding sources for adaptation for the same project activity;
- h. Moving towards a programmatic approach, where appropriate.

16. The decision on 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 arising from 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;
- g. Adaptive capacity 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.

-----

Decision 6/CMP.4  
(FCCC/KP/CMP/2008/11/Add.1)

**Capacity-building for developing countries under the  
Kyoto Protocol**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* decisions 4/CP.9, 9/CP.9, 7/CMP.1 and 6/CMP.2,

*Further recalling* decision 2/CP.7 to establish a framework for capacity-building in developing countries and to conduct a comprehensive review of the implementation of this framework at the ninth session of the Conference of Parties, and every five years thereafter,

*Reaffirming* that decision 2/CP.7 is the basis for and guides the implementation of capacity-building activities in developing countries,

*Recalling decision* 29/CMP.1, which reaffirms that the framework for capacity-building in developing countries should guide capacity-building relating to the implementation of the Kyoto Protocol in developing countries,

*Further recalling* decision 2/CP.10 to initiate a second comprehensive review of the implementation of the framework for capacity-building in developing countries at the twenty-eighth session of the Subsidiary Body for Implementation with a view to completing this review at the fifteenth session of the Conference of the Parties,

*Acknowledging* that the comprehensive review of the implementation of the framework for capacity-building in developing countries under the Convention is also applicable for capacity-building relating to the implementation of the Kyoto Protocol,

*Having considered* the conclusions of the Subsidiary Body for Implementation at its twenty-eighth session relating to capacity-building for developing countries under the Kyoto Protocol,<sup>1</sup>

---

<sup>1</sup> FCCC/SBI/2008/8, paragraphs 79.86.

*Having taken note* of the terms of reference for the second comprehensive review of the implementation of the framework for capacity-building in developing countries,<sup>2</sup>

1. *Requests* the Subsidiary Body for Implementation to prepare, at its thirtieth session, in accordance with the terms of reference for the second comprehensive review of the implementation of the framework for capacity-building in developing countries, a draft decision on the outcome of this review for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session;

2. *Decides* to take into account, in the second comprehensive review, recommendations made by the Subsidiary Body for Implementation at its thirtieth session on further steps to regularly monitor and review progress in the implementation of capacity-building activities undertaken pursuant to decisions 2/CP.7, 29/CMP.1 and 6/CMP.2.

*9th plenary meeting  
12 December 2008*

---

---

<sup>2</sup> FCCC/SBI/2008/8, annex IV.

Decision1/CMP.3  
(FCCC/KP/CMP/2007/9/Add.1)

## **Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol,

*Reaffirming* decisions 3/CMP.1, 28/CMP.1 and 5/CMP.2,

1. *Decides* that developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund to assist them in meeting the costs of adaptation;<sup>1</sup>
2. *Decides* 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;

### ***Operating entity***

3. *Decides* that the operating entity of the Adaptation Fund shall be the Adaptation Fund Board, serviced by a secretariat and a trustee;
4. *Decides* that the Adaptation Fund Board shall be established 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, and shall be fully 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 in line with relevant decisions;

### ***Functions***

5. *Decides* that the functions of the Adaptation Fund Board shall include the following functions and any other functions assigned to it by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol:
  - a. To 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;

---

<sup>1</sup> Decision 28/CMP.1 makes reference in the preambular part to particularly vulnerable countries.

b. To 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 to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

c. To 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, and report on it to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

d. To 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;

e. To develop and agree on additional rules of procedure to those included in this decision and recommend these for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

f. To monitor and review implementation of the operations of the Adaptation Fund, including its administrative arrangements and the expenditure 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;

g. To 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;

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

i. To regularly review performance reports on implementation and ensure independent evaluation and auditing of activities supported by the Adaptation Fund;

j. To 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;

k. To 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, and to report annually to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the monetization of certified emission reductions;

l. 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;

m. To 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 paragraph 5 (a), (b), (c), (e), (j) and (k) 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;

### ***Composition***

6. *Decides* that the Adaptation Fund Board shall comprise 16 members representing Parties to the Kyoto Protocol, taking into account fair and balanced representation among these groups 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 the Parties included in Annex I to the Convention (Annex I Parties);

e. Two other representatives from the Parties not included in Annex I to the Convention (non-Annex I Parties);

7. *Decides* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall elect an alternate for each member of the Adaptation Fund Board on the same principles as set out in paragraph 6 above, and that the nomination of a candidate member shall be accompanied by a nomination of a candidate alternate member from the same group;

8. *Decides* that members, including alternate members, of the Adaptation Fund Board with the appropriate technical, adaptation and/or policy expertise shall be identified by their respective governments, nominated by the relevant groups as indicated in

paragraphs 6 and 7 above and elected by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to serve as government representatives, and that vacancies shall be filled in the same manner;

9. *Decides* that members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms;

#### ***Membership***

10. *Decides* that members, including alternate members, of the Adaptation Fund Board shall be bound by the rules of procedure of the Adaptation Fund Board and have no personal financial interest in any aspect of a project activity or a body presenting a project for approval to the Adaptation Fund Board;

#### ***Quorum***

11. *Decides* that a simple majority of the members of the Adaptation Fund Board must be present at the meeting to constitute a quorum;

#### ***Decision-making***

12. *Decides* that decisions of the Adaptation Fund Board shall be taken by consensus; 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;

#### ***Chairmanship***

13. *Decides* that the Adaptation Fund Board shall elect its own Chair and Vice-Chair, with one being a member from an Annex I Party and the other being from a non-Annex I Party, the positions of Chair and Vice-Chair shall alternate annually between an Annex I Party and a member from a non-Annex I Party;

#### ***Frequency of meetings***

14. *Decides* that the Adaptation Fund Board shall convene its first meeting soon after the election of its members;

15. *Decides* that, thereafter, the Adaptation Fund Board shall meet at least twice a year, while retaining the flexibility to adjust the number of meetings to suit its needs, and meet at the country of 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 sessions of subsidiary bodies under the Convention;



### ***Observers***

16. *Decides* that meetings of the Adaptation Fund Board shall be open to attendance, as observers, by UNFCCC Parties and by UNFCCC accredited observers, except where otherwise decided by the Adaptation Fund Board;

### ***Transparency***

17. *Decides* that the full text of all decisions taken by the Adaptation Fund Board shall be made publicly available in all six official languages of United Nations;

### ***Secretariat***

18. *Decides* that secretariat services shall be provided to the Adaptation Fund Board in order to support and facilitate its activities, that a dedicated team of officials shall be identified to render secretariat services to the Adaptation Fund Board in a functionally independent and effective manner and that the head of the secretariat responsible for rendering the services shall be accountable to the Adaptation Fund Board;
19. *Invites* the Global Environment Facility to provide secretariat services to the Adaptation Fund Board on an interim basis;

### ***Trustee***

20. *Decides* that the Adaptation Fund shall have a trustee that shall have fiduciary responsibility and the administrative competence to manage the Adaptation Fund, and shall comply with principles and modalities for operations stipulated in relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
21. *Decides* that the trustee shall hold in trust the funds, assets and receipts that constitute the Fund, and manage and use them only for the purpose of, and in accordance with, the provisions of relevant decisions, keeping them separate and apart from all other accounts and assets of, or administered by, the trustee;
22. *Decides* that the trustee shall be accountable to the Adaptation Fund Board for the performance of its fiduciary responsibilities and in particular for the monetization of certified emission reductions in accordance with guidance provided by the Adaptation Fund Board;
23. *Invites* the World Bank to serve as the trustee of the Adaptation Fund on an interim basis;
24. *Decides* that a trust fund shall be established under the management of the trustee, to be funded by the monetized share of proceeds of

certified emission reductions, to meet the costs of adaptation and other sources of funding;

25. *Decides* that the administrative expenses for operating the Adaptation Fund shall be financed by the trust fund for the Adaptation Fund;
26. *Decides* that the cost of participation of members and of alternate members from developing country Parties and other Parties eligible under the UNFCCC practice shall be covered by the trust fund for the Adaptation Fund;
27. *Invites* Parties to finance the administrative expenses for operating the Adaptation Fund in an interim phase, until the monetization of the share of proceeds of certified emission reductions to meet the costs of adaptation is operational, by making contributions to the trust fund for the Adaptation Fund and that such contributions shall be reimbursed, if requested, from the monetization of the share of proceeds of certified emission reductions to meet the costs of adaptation, in accordance with procedures and a timetable to be determined by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol upon the recommendation of the Adaptation Fund Board;

#### ***Monetization***

28. *Decides* that the monetization of certified emission reductions referred to in paragraphs 5 (k), 22 and 27 above shall be undertaken in order to:
  - a. Ensure 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;

#### ***Access to funding***

29. *Decides* that eligible Parties shall be able to submit their project proposals directly to the Adaptation Fund Board and that implementing or executing entities chosen by governments that are able to implement the projects funded under the Adaptation Fund may also approach the Adaptation Fund Board directly;

30. *Decides* that in order to submit a project proposal, Parties and implementing

or executing entities shall meet the criteria adopted by the Adaptation Fund Board in accordance with paragraph 5 (c) above, in order to access funding from the Adaptation Fund;

***Institutional arrangements***

31. *Decides* to request the Adaptation Fund Board to develop 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 both the secretariat and the trustee servicing the Adaptation Fund, for the purpose of regulating the provisions of the required services, the terms and conditions thereof and the performance standards required from the secretariat and the trustee servicing the Adaptation Fund, and present these legal arrangements for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourth session;

***Review***

32. *Decides* that the interim institutional arrangements mentioned in paragraphs 19 and 23 above shall be reviewed after three years at the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
33. *Decides* to undertake, at its sixth session, a review of all matters relating to the Adaptation Fund, including the institutional arrangements, with a view to ensuring the effectiveness and adequacy thereof, and thereafter every three years, in order to adopt an appropriate decision on the outcome of such a review; 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;
  34. *Decides* that in the event of any revision of the decision on institutional arrangements, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol shall make the necessary arrangements to ensure that any project activities already funded and in the process of being implemented are not jeopardized.

*9th plenary meeting  
14–15 December 2007*

-----



Decision 4/CP.12  
(FCCC/CP/2006/5/Add.1)

## **Capacity-building under the Convention**

*The Conference of the Parties,*

*Being guided* by Articles 4.1, 4.3, 4.4, 4.5 and 4.7, in the context of Article 3, and Articles 5 and 6 of the Convention,

*Recalling* the provisions related to capacity-building for developing countries contained in its decisions 4/CP.9 and 9/CP.9,

*Recalling* its decisions 2/CP.7 and 2/CP.10 calling on the Conference of the Parties, through the Subsidiary Body for Implementation, to regularly monitor the progress of the implementation of the capacity-building framework annexed to decision 2/CP.7 and the Subsidiary Body for Implementation to report to the Conference of the Parties at each of its sessions,

*Recognizing* that the purpose of regular monitoring should be to facilitate assessment of progress made, identification of gaps, and effectiveness of the implementation of the capacity-building framework and to support the comprehensive review,

*Welcoming* financial support from the Global Environment Facility as an operating entity of the financial mechanism in implementation of the capacity-building framework, while noting the need to provide adequate resources to support the effective implementation of the framework,

*Noting* the need for reporting on activities undertaken by multilateral, bilateral and private sector entities with respect to capacity-building pursuant to decision 2/CP.7,

*Reaffirming* that the first step of the monitoring was the establishment of the capacity-building framework,

*Acknowledging* that the implementation of the capacity-building framework is ongoing,

1. *Decides* that the following additional steps will be taken annually to regularly monitor the implementation of the capacity-building framework pursuant to decisions 2/CP.7 and 2/CP.10:

(a) Parties to be invited to submit information on the activities that they have undertaken pursuant to decisions 2/CP.7 and 2/CP.10, which should include, inter alia, such elements as needs and gaps, experiences and lessons learned;

(b) The Global Environment Facility to provide a report on its progress in support of the implementation of the framework in its reports to the Conference of the Parties;

(c) The secretariat to produce a synthesis report in accordance with paragraph 9 of decision 2/CP.7, drawing upon information contained in national adaptation programmes of action, technology needs assessments and national capacity self-assessment and the information contained in subparagraph (a) above;

(d) Parties to consider the Global Environment Facility report mentioned in subparagraph (b) above and the synthesis report described in subparagraph (c) above as a basis for regular monitoring and as a contribution to the comprehensive review of the capacity-building framework;

2. *Requests* the secretariat to organize, before the thirteenth session of the Conference of the Parties, in collaboration with the Global Environment Facility and subject to the availability of resources, an expert workshop:

(a) To exchange views on experiences in monitoring and evaluation of capacity-building by Parties, and where relevant, multilateral, bilateral agencies as well as intergovernmental and non-governmental organizations;

(b) To discuss the work of the Global Environmental Facility with regard to the development of capacity-building performance indicators relevant for monitoring the implementation of the capacity-building framework;

3. *Requests* the secretariat to report on the outcome of the workshop for consideration by the Subsidiary Body for Implementation at its twenty-seventh session;

4. *Requests* the secretariat to develop a possible structured format for the synthesis report, for consideration by the Subsidiary Body for Implementation at its twenty-sixth session;

5. *Reiterates* its request to the Global Environment Facility, as an operating entity of the financial mechanism, to take into account the key factors for capacity-building as laid out in paragraph 1 of decision 2/CP.10 when supporting capacity-building activities in developing countries;

6. *Reiterates* its request to the Global Environment Facility to continue to provide financial resources to support the development of the information sources named in paragraph 1 (c), above, as appropriate, in accordance with decisions 2/CP.7, 6/CP.7, 4/CP.9, 2/CP.10 and 8/CP.10.

*7th plenary meeting  
17 November 2006*

---

Decision 5/CMP.2  
(FCCC/KP/CMP/2006/10/Add.1)

## **Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recognizing* that Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities and that, accordingly, the developed country Parties should take the lead in combating climate change and the adverse effects thereof,

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol

*Recalling* its decisions 3/CMP.1 and 28/CMP.1,

*Recalling also* decisions 5/CP.7, 10/CP.7, 17/CP.7,

1. *Decides* that the Adaptation Fund shall be guided by the following principles:

a. A share of the proceeds from certified project activities is used to cover 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 in a balanced and equitable manner for eligible countries;

c. Transparency and openness in the governance of the fund;

d. Funding on full adaptation cost basis of projects and programmes to address the adverse effects of climate change;

e. The Adaptation Fund should operate under the authority and guidance of and be 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. Accountability in management, operation and use of the funds;



g. No duplication with other sources of funding for adaptation in the use of the Adaptation Fund;

h. Efficiency and effectiveness in the management, operation and governance of the fund;

35. *Decides* that the Adaptation Fund shall operate with the following modalities:

(a) Funding for eligible Parties will be available for national, regional and community level activities;

a. Facilitative procedures for accessing funds, including short and efficient project development and approval cycles and expedited processing of eligible activities;

b. Projects should be country driven and should clearly be based on needs, views and priorities of 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;

c. Funding shall be available for concrete adaptation projects and programmes in eligible countries;

d. Ability to receive contributions from other sources of funding;

e. Competency in adaptation and financial management;

f. Sound financial management, including the use of international fiduciary standards;

g. Clearly defined responsibilities for quality assurance, management and implementation;

h. Independent monitoring, evaluation and financial audits;

i. Learning by doing;

36. *Decides* that membership of the governing body of the Adaptation Fund shall be from Parties to the Kyoto Protocol, follow a one-country-one-vote rule and have a majority of Parties not included in Annex I to the Convention;

37. *Requests* the Subsidiary Body for Implementation to develop recommendations to the Conference of the Parties serving as the

meeting of the Parties to the Kyoto Protocol at its third session with the aim of adopting a decision on the following issues:

- a. Eligibility criteria;
- b. Priority areas;
- c. Monetizing the share of proceeds;
- d. Institutional arrangements;

38. *Invites* interested institutions to submit to the secretariat, by 23 February 2007, their views on how they would operationalize this decision;

39. *Requests* the secretariat to compile the submissions mentioned in paragraph 5 above into a miscellaneous document for consideration by the Subsidiary Body for Implementation at its twenty-sixth session;

40. *Requests* the Chair of the Subsidiary Body for Implementation to organize, with the assistance of the secretariat and subject to the availability of resources, consultations among Parties before the twenty-seventh session of the Subsidiary Body for Implementation with the aim of exchanging views on issues defined in paragraph 4 above and recommending possible ways forward.

*10<sup>th</sup> plenary meeting  
17 November 2006*

## Decision 6/CMP.2

(FCCC/KP/CMP/2006/10/Add.1)

### **Capacity-building under the Kyoto Protocol**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* the provisions relating to the capacity-building framework for developing countries contained in decisions 2/CP.7 and 29/CMP.1, and related decisions 4/CP.9, 9/CP.9, 2/CP.10, 7/CMP.1,

*Recalling* decisions 2/CP.7 and 2/CP.10 calling on the Conference of Parties through the Subsidiary Body for Implementation, to regularly monitor the progress of the implementation of the framework and report to the Conference of the Parties at each of its sessions,

*Recalling* its decision 29/CMP.1 that required the secretariat to provide reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the efforts made to implement the framework for capacity-building,

*Noting* the efforts in capacity-building under the Kyoto Protocol by various Parties and organizations, and the value of sharing best practices and lessons learned at the first informal designated national authorities forum of the clean development mechanism that was convened in Bonn, Germany, in October 2006,

*Recognizing* that the purpose of regular monitoring should be to facilitate assessment of progress made, identification of gaps and effectiveness of the implementation of the capacity-building framework and to support the comprehensive review,

*Taking note* of the relevant sections of the annual report of the Executive Board of the clean development mechanism to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol contained in document FCCC/KP/CMP/2006/4 and Add.1,

*Reaffirming* that the first step of the monitoring process was the establishment of the capacity-building framework, reaffirmed in decision 29/CMP.1,

*Acknowledging* that the implementation of the capacity-building framework is ongoing,

1. *Decides* that the following additional steps will be taken annually to regularly monitor the implementation of activities pursuant to decision 29/CMP.1:

(a) *Parties* to be invited to submit information on the activities that they have undertaken pursuant to decision 29/CMP.1;

(b) *Relevant* multilateral and bilateral agencies and the private sector to be invited to provide reports on their support of the implementation of the framework undertaken pursuant to decision 29/CMP.1, in accordance with national priorities and with the knowledge of relevant national authorities;

(c) The secretariat is to produce a synthesis report on progress made in the implementation of activities pursuant to decision 29/CMP.1, drawing upon information contained in subparagraph (a) and (b) above, as well as information on activities of the Executive Board to the clean development mechanism relating to regional distribution of clean development mechanism project activities and related capacity-building;

(d) *Parties* to consider the synthesis report as described in subparagraph (c) above as a basis for regular monitoring and as a contribution to the comprehensive review of the capacity-building framework;

2. *Encourages* Parties and relevant United Nations agencies and other organizations to focus on institutional and technical capacity-building activities that are specific to the clean development mechanism consistent with decision 29/CMP.1, with a view to enhancing the capacities of developing countries, in particular those regions and countries with few or no project activities;

3. *Reiterates* the request to Parties to continue with measures to assist Parties not included in Annex I to the Convention, in particular least developed countries and small island developing States, and bearing in mind the difficulties of Africa to attract clean development mechanism projects, to carry out capacity-building activities as defined in decision 29/CMP.1, in order to facilitate their participation in the clean development mechanism;

4. *Encourages* Parties and, as appropriate, relevant international governmental organizations, non-governmental organizations, private sector organizations and others, to facilitate learning by doing and to further strengthen their efforts to support the identification, development and implementation of project activities in Parties not included in Annex I to the Convention wishing to participate in the clean development mechanism.

*10th plenary meeting  
17 November 2006*

---



Decision 7/CMP.1  
(FCCC/KP/CMP/2005/8/Add.1)

**Further guidance relating to the clean development  
mechanism**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Mindful* of the objective of the Convention as set out in its Article 2,

*Recalling* the provisions of Articles 3 and 12 of the Kyoto Protocol,

*Recalling* decisions 2/CP.7, 15/CP.7, 17/CP.7, 21/CP.8, 18/CP.9, 19/CP.9, 12/CP.10 and 14/CP.10 *and* their annexes,

*Cognizant* of decisions 2/CMP.1, 3/CMP.1 and its annexes, 5/CMP.1, 6/CMP.1, 4/CMP.1 and its annexes, 8/CMP.1, and 29/CMP.1,

*Expressing* appreciation to the Conference of the Parties for exercising authority over the clean development mechanism in the period from December 2001 until 29 November 2005,

*Recognizing* the accelerated progress in the implementation of the clean development mechanism, notably since the entry into force of the Kyoto Protocol on 16 February 2005,

*Welcoming* the fact that 90 Parties, among them 72 developing country Parties, have so far established designated national authorities,

*Reminding* Parties wishing to participate in clean development mechanism project activities of the need to identify a designated national authority,

*Conscious* of the importance of well-functioning designated operational entities and the need to further promote the accreditation of such entities from developing countries,

*Recognizing* the need to ensure the continuation of the clean development mechanism beyond 2012,

*Fully aware* of the need to take measures to further strengthen the clean development mechanism to allow it to meet its purposes as stated in Article 12 of the Kyoto Protocol by enhancing its institutions to facilitate efficiency, cost-effectiveness, consistency and transparency of decision-making,

*Noting* the importance of the issue of ensuring privileges and immunities for members and alternate members of the Executive Board of the clean development mechanism and its panels, committees and working groups,

*Stressing* the importance of constituencies nominating members and alternate members who have the required qualifications and sufficient time to perform functions, as indicated in a management plan for the clean development mechanism, to serve on the Executive Board of the clean development mechanism in order to ensure that the Board has expertise, including on financial and regulatory matters and executive decision-making,

*Stressing* the importance of the participation of Executive Board members and alternate members in the work of the Board and of their full compliance with the Board's rules of procedure, as contained in annex I to decision 4/CMP.1, especially with regard to conflict of interest, breach of confidentiality and attendance,

*Further stressing* the need to enable all members and alternate members of the Executive Board to attend its meetings and informal consultations, for a duration and as frequently as required by the process, without relying on their employers to bear the costs of travel and subsistence,

*Appreciating* that the fulfillment of functions requires from members and alternate members of the Executive Board significant effort and time and that the extent of meeting time required per year is the key criterion for remuneration applicable to the Executive Board,

*Concerned* about the lack of adequate and predictable funding during the prompt start phase and the impact thereof on the level of support services for the work of the clean development mechanism,

*Noting* the need to ensure adequate and predictable funding for the future,

*Expressing* deep appreciation to Parties that have so far contributed to funding the work of the clean development mechanism,



*Conscious* of the need to ensure that a share of the proceeds from clean development mechanism project activities is used to cover administrative expenses,

*Stressing* the importance of consistency and transparency in funding requests and in the reporting of resources allocated to support services for the work of the clean development mechanism,

## **General**

1. *Takes note* with appreciation of the annual report (2004–2005) of the Executive Board of the clean development mechanism and its addendum, including of progress made during the prompt start of the clean development mechanism under the authority of the Conference of the Parties during the period from December 2001 to 29 November 2005 on the issuance of the first certified emission reductions; the registration of 43 clean development mechanism project activities; the accreditation/designation of operational entities; the approval of 50 baseline and monitoring methodologies, including eight consolidations; and improvements in the clean development mechanism registry;
2. *Designates* as operational entities those entities that have been accredited, and provisionally designated, as operational entities by the Executive Board to carry out sector-specific validation functions and/or sector-specific verification functions as listed in annex I to document
3. *Adopts*, in response to the request contained in decision 14/CP.10, the simplified baseline and monitoring methodologies for small-scale afforestation and reforestation project activities under the clean development mechanism as contained in annex II to document FCCC/KP/CMP/2005/4/Add.1;
4. *Decides* that project activities that started in the period between 1 January 2000 and 18 November 2004 and have not yet requested registration but have either submitted a new methodology or have requested validation by a designated operational entity by 31 December 2005 can request retroactive credits if they are registered by the Executive Board by 31 December 2006 at the latest;
5. *Requests* the secretariat to organize, in conjunction with the twenty-fourth session of the Subsidiary Body for Scientific and Technological Advice (May 2006), a workshop on considering carbon dioxide capture and storage as clean development mechanism

project activities, taking into account issues relating to project boundary, leakage and permanence;

6. *Invites* Parties to provide to the secretariat, by 13 February 2006, submissions on the consideration of carbon dioxide capture and storage as clean development mechanism project activities, taking into account issues relating to project boundary, leakage and permanence, and on issues to be considered at the workshop referred to in paragraph 5;

7. *Requests* the Executive Board to consider proposals for new methodologies for carbon dioxide capture and storage as clean development mechanism project activities with a view to making recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its second session, on methodological issues, in particular with regard to project boundary, leakage and permanence;

8. *Decides* to consider, at its second session, submissions by Parties, the report of the workshop and the recommendations by the Executive Board as referred to in paragraphs 5, 6 and 7 with a view to adopting a decision on guidance to the Executive Board of the clean development mechanism on how to consider carbon dioxide capture and storage as clean development mechanism project activities, taking into account issues relating to project boundary, leakage and permanence;

## **Governance**

9. *Commends* the Executive Board for the development of a management plan for the clean development mechanism pursuant to decision 12/CP.10 and for the implementation of measures already undertaken, within available resources, to streamline procedures and processes, and provide for enhanced dialogue with designated national authorities, feedback to project proponents and information to stakeholders and the general public;

10. *Requests* the Executive Board, with a view to reporting to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session, to keep the management plan for the clean development mechanism under review and make adjustments as necessary to continue ensuring the efficient, cost-effective and transparent functioning of the clean development mechanism by, inter alia:

(a) Identifying and implementing, wherever warranted and compatible with the principles and the purpose of the clean development mechanism, further measures aimed at strengthening the clean development mechanism and its responsiveness to the needs of Parties and stakeholders;

(b) Adopting appropriate management indicators;

(c) Providing a breakdown of the level of resources allocated to the provision of services identified by the Executive Board in its management plan, in particular with relation to costs and geographic distribution of staff and consultancies;

11. *Requests* the Executive Board:

(a) To develop a catalogue of, and user's guide to, its decisions, including on clarifications and guidance provided, to facilitate accessibility to information;

(b) To ensure that decisions by the Board and recommendations by its panels, committees and working groups are accompanied by appropriate explanations in the reports of these bodies;

12. *Requests* the Executive Board to emphasize its executive and supervisory role over a strengthened support structure which includes panels on methodologies and accreditation, teams supporting registration of project activities and issuance of certified emission reductions, working groups on afforestation and reforestation and on small-scale projects, designated operational entities and a strengthened secretariat servicing this system;

13. *Decides* that the executive and supervisory role of the Executive Board over the clean development mechanism includes:

(a) General management and organization of its work, including the establishment of panels, committees and working groups;

(b) Definition of the services and administrative support functions required by the Executive Board and its panels, committees and working groups, and the financial resources to support this work;

14. *Commends* the secretariat for the provision of services to the Executive Board and the public, including up-to-date information on procedural requirements and operational achievements via the UNFCCC CDM website;

15. *Requests* the secretariat to maintain and strengthen its clean development mechanism section dedicated to supporting the

Executive Board through the provision of services as defined by the Executive Board;

16. *Decides* that the services provided by the secretariat to the Executive Board should include:

(a) Preparation of draft decisions for the Executive Board and draft recommendations for its panels and working groups, including the development of options and proposals;

(b) Publication and maintenance of a catalogue of the decisions of the Executive Board, recommendations of the panels and working groups, and preparatory work;

(c) Provision of advice and the procurement of external expert advice for the Executive Board and its panels and working groups;

(d) Provision of services and support functions to facilitate the work of the Executive Board and its committees, panels and working groups in accordance with the prevailing rules and regulations of the secretariat;

17. *Requests* the secretariat to make appropriate arrangements, effective 1 January 2006, to remunerate members and alternate members of the Executive Board through an increased daily subsistence allowance that is 40 per cent more than the standard rate, not to exceed USD 5,000 per year, bearing in mind that this is not so much an adequate compensation for their services as an acknowledgement of the substantial sacrifice of time and financial interest on their part;

18. *Requests* the secretariat to adjust UNFCCC practices so that the costs of travel and the daily subsistence allowance of all members and alternate members of the Executive Board would be covered from the part of the Trust Fund for Supplementary Activities dedicated to funding work on the clean development mechanism;

## **Methodologies and additionally**

19. *Requests* the Board to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its second session, on further progress with respect to guidelines on baseline and monitoring methodologies, as referred to in appendix C to the modalities and procedures for a clean development mechanism;

20. *Decides* that a local/regional/national policy or standard cannot be considered as a clean development mechanism project

activity, but that project activities under a programme of activities can be registered as a single clean development mechanism project activity provided that approved baseline and monitoring methodologies are used that, inter alia, define the appropriate boundary, avoid double counting and account for leakage, ensuring that the emission reductions are real, measurable and verifiable, and additional to any that would occur in the absence of the project activity;

21. *Recognizes* that large-scale project activities under the clean development mechanism can be bundled if they are validated and registered as one clean development mechanism project activity and invites the Executive Board to provide further clarification if needed;

22. *Recognizes and encourages* initiatives on methodology development by Parties and entities and invites further efforts from intergovernmental organizations, non-governmental organizations, industry and others;

23. *Encourages* project participants to develop, and the Executive Board to approve, more methodologies with broad applicability conditions to increase the validity and use of approved methodologies;

24. *Requests* the Executive Board to expand its efforts:

(a) To broaden the applicability of approved methodologies;

(b) To prepare consolidated methodologies that, wherever possible, cover the full range of methodological approaches and applicability conditions as in the underlying approved methodologies;

(c) To provide clear guidance on small deviations from approved methodologies;

25. *Requests* the Executive Board to make a call for public input, in accordance with paragraphs 43 to 45 of the modalities and procedures for a clean development mechanism, on:

(a) New proposals to demonstrate additionality, including options to combine the selection of the baseline scenario and the demonstration of additionality;

(b) Proposals to improve the “tool for the demonstration and assessment of additionality”;

26. *Requests* the Board to consider, at or before its twenty-fourth meeting, such proposals with a view to including approved approaches for the demonstration of additionality in baseline

methodologies and reporting in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session;

27. *Encourages* project participants to submit new proposals to demonstrate additionality through the existing process of proposing new methodologies;

28. *Confirms* that, as stipulated in decision 12/CP.10, the use of the “tool for the demonstration and assessment of additionality” is not mandatory for project participants, and that in all cases the project participants may propose alternative methods to demonstrate additionality for consideration by the Executive Board, including those cases where the “tool for the demonstration and assessment of additionality” is attached to an approved methodology;

29. *Welcomes* the public call launched by the Executive Board for “alternative methods for calculating emission reductions for small-scale project activities that propose the switch from nonrenewable to renewable biomass”;

30. *Requests* the Board to develop, as a priority, a simplified methodology “for calculating emission reductions for small-scale project activities that propose the switch from non-renewable to renewable biomass”;

31. *Invites* the Executive Board to review the simplified modalities, procedures and definitions of small-scale project activities referred to in paragraph 6 (c) of decision 17/CP.7 and, if necessary, make appropriate recommendations to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session;

## **Regional distribution and capacity-building**

32. *Requests* Parties to submit to the secretariat, by 31 May 2006, their views on systematic or systemic barriers to the equitable distribution of clean development mechanism project activities and options to address these barriers, for consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session;

33. *Requests* the Executive Board, taking into consideration the submissions by Parties referred to in paragraph 32, to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session:

(a) Information on the regional and subregional distribution of clean development mechanism project activities with a view to identifying systematic or systemic barriers to their equitable distribution;

(b) Options to address issues referred to in the paragraph 33 (a);

34. *Reiterates* the request to Parties included in Annex I to the Convention to continue with measures to assist Parties not included in Annex I to the Convention, in particular the least developed countries and small island developing States among them, with building capacity in order to facilitate their participation in the clean development mechanism, taking into account relevant decisions by the Conference of the Parties on capacity-building and on the financial mechanism of the Convention;

35. *Reiterates* the request to the Parties, within the framework of decision 2/CP.7, to promote capacity-building with a specific view to obtaining more applications for accreditation as designated operational entities from entities located in Parties not included in Annex I to the Convention and invites intergovernmental and non-governmental organizations to contribute to this effort;

36. *Requests* the Executive Board to broaden participation in the clean development mechanism, including through meetings with a designated national authority forum on a regular basis, in conjunction with meetings of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and its subsidiary bodies;

## **Resources for work on the clean development mechanism**

37. *Decides*, with a view to accruing resources to cover administrative expenses for operational functions as of 2008, and with the understanding that the issuance of certified emissions reductions, in accordance with the distribution agreement, shall be effected only when the share of proceeds to cover administrative expenses has been received, that the share of proceeds to cover administrative expenses of the clean development mechanism as referred to in Article 12, paragraph 8, of the Kyoto Protocol shall be:

(a) USD 0.10 per certified emission reduction issued for the first 15,000 tonnes of CO<sub>2</sub> equivalent for which issuance is requested in a given calendar year;

(b) USD 0.20 per certified emission reduction issued for any amount in excess of 15,000 tonnes of CO<sub>2</sub> equivalent for which issuance is requested in a given calendar year;

38. *Further decides* to review these arrangements at its second session and, in the case of a surplus above the level of financial resources defined by the Executive Board in paragraph 13 (b) above being available from the share of proceeds to cover administrative expenses of the clean development mechanism, to consider lowering the rate mentioned in paragraph 37 (b), but that in no case shall the rate in paragraph 37 (b) be less than the rate in paragraph 37 (a);

39. *Requests* the Executive Board to report on revenue received from the share of proceeds for administrative expenses to assist in this review;

40. *Invites* Parties to urgently make contributions to the Trust Fund for Supplementary Activities for funding the work on the clean development mechanism in the biennium 2006–2007, at a level that would allow the full implementation of the management plan of the clean development mechanism as of early 2006, including through the strengthened capacity of the secretariat to support the Executive Board in its decision-making, and the secretariat to continue to report on the level of contributions;

41. *Further invites* Parties to make contributions for activities to broaden participation in the clean development mechanism in addition to the ones referred to in paragraph 40.

*9th plenary meeting  
9–10 December 2005*

---



**Initial guidance to an entity entrusted with the  
operation of the financial mechanism of the  
Convention, for the operation of the  
Adaptation Fund**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 12, paragraph 8, of the Kyoto Protocol, *Recalling* decisions 5/CP.7, 10/CP.7 and 17/CP.7,

*Recognizing* that 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 are particularly vulnerable to the adverse effects of climate change,

*Recognizing* the need to operationalize the Adaptation Fund as soon as possible,

*Taking note of* the proposed arrangements for the Adaptation Fund presented by the Global Environment Facility as an entity entrusted with the operation of the financial mechanism of the Convention, as contained in paragraph 31 of the report of the Global Environment Facility to the Conference of the Parties (FCCC/CP/2005/3 and Corr.1),

*Noting* that the Adaptation Fund shall be financed from the share of proceeds on the clean development mechanism project activities and other sources of funding,

*Recognizing* that adaptation to climate change is an integral part of ongoing efforts for sustainable development,

1. *Decides* that the Adaptation Fund established under decision 10/CP.7 shall finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Kyoto Protocol, as well as activities identified in decision 5/CP.7, paragraph 8;
2. *Decides* that the Adaptation Fund shall function under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

3. *Decides* that the operation of the Adaptation Fund shall be guided by the following:
  - a. A country-driven approach
  - b. Sound financial management and transparency
  - c. Separation from other funding sources
  - d. A learning-by-doing approach;
4. *Decides* to adopt further guidance on policies, programme priorities and eligibility criteria for the operation of the Adaptation Fund, at its second session;
5. *Invites* Parties to submit to the secretariat, by 13 February 2006, their views on specific policies, programme priorities and eligibility criteria for consideration by the Subsidiary Body for Implementation at its twenty-fourth session (May 2006);
6. *Further invites* Parties and relevant international organizations to submit to the secretariat, by 13 February 2006, their views on possible arrangements for the management of the Adaptation Fund for consideration by the Subsidiary Body for Implementation at its twenty-fourth session;
7. *Requests* the secretariat to organize, before the twenty-fourth session of the Subsidiary Body for Implementation, subject to the availability of resources, a workshop to promote an exchange of views on further guidance for the operation of the Adaptation Fund.

*9<sup>th</sup> plenary meeting  
9-10 December 2005*

Decision 29/CMP.1  
(FCCC/KP/CMP/2005/8/Add.4)

**Capacity-building relating to the implementation of  
the Kyoto Protocol in developing countries**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Article 10, paragraphs (c), (d) and (e) of the Kyoto Protocol and other relevant provisions committing Parties to cooperate in capacity-building,

*Recalling* decision 2/CP.7 establishing a framework for capacity-building in developing countries,

*Noting* decision 2/CP.10 inviting Parties to submit to the secretariat, by 15 February 2006, views on how the Subsidiary Body for Implementation can monitor regularly the implementation of the framework for capacity-building for consideration by the Subsidiary Body for Implementation at its twenty-fourth session (May 2006) and by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its second session (November 2006),

*Noting* that the entry into force of the Kyoto Protocol on 16 February 2005 has increased interest and activities in the clean development mechanism in developing countries and consequently the need for capacity-building,

*Acknowledging* inputs from Parties responding to the request for views, made by the Subsidiary Body for Implementation at its seventeenth session, on additional priority areas for capacity-building relating to the implementation of the Kyoto Protocol,

*Emphasizing* that capacity-building is a continuous, progressive and iterative process, the implementation of which should be based on the priorities of developing countries,

*Noting* the need to seek synergy in providing capacity-building among Parties, the financial mechanism, bilateral and multilateral agencies, and the private sector,

1. *Decides* that the framework for capacity-building adopted by decision 2/CP.7 is applicable to the implementation of the Kyoto Protocol and reaffirms the framework to guide capacity-building

activities relating to the implementation of the Kyoto Protocol in developing countries;

2. *Decides* that capacity-building relating to the implementation of the Kyoto Protocol in developing countries within the scope of the framework reaffirmed in this decision should be provided to enhance the ability of developing countries to participate effectively in project activities under the clean development mechanism, such as those priority areas listed below;

(a) Institutional capacity-building to assist developing countries in establishing and strengthening designated national authorities

(b) Increasing awareness, training and networking of developing country designated national authorities, non-governmental organizations, the private sector and all relevant stakeholders, particularly for the development of skills relating to the clean development mechanism project cycle

(c) Supporting and facilitating communication, cooperation and networking between developing country designated national authorities, and clean development mechanism Executive Board, and other clean development mechanism actors

(d) Providing support for broader participation in the clean development mechanism, including participation in designated national authority forums in conjunction with sessions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the subsidiary bodies

(e) Improving geographical distribution, knowing well the difficulties of Africa to attract clean development mechanism projects, by supporting the development of clean development mechanism projects in least developed countries and small island developing States, through training, clean development mechanism market analysis and forums

(f) Enhancing capacity to formulate mitigation activities and policies and to integrate them with other policy instruments within the framework of sustainable development;

3. *Decides* that the capacity-building framework reaffirmed by this decision should receive urgent attention from Parties included in Annex II to the Convention, and, as appropriate, multilateral and bilateral agencies and the private sector, and should be implemented taking into account decision 2/CP.7;

4. *Requests* the secretariat to provide reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the efforts made to implement the framework for capacity-building reaffirmed by this decision and to take into account this decision in preparing its synthesis report on the steps taken to monitor regularly capacity-building activities pursuant to decision 2/CP.7 as elaborated in decision 2/CP.10.

*9th plenary meeting  
9–10 December 2005*

---

Decision 30/CMP.1  
(FCCC/KP/CMP/2005/8/Add.4)

**Capacity-building relating to the implementation of  
the Kyoto Protocol in Parties with economies in  
transition**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*Recalling* Articles 2, 3, 5, 6, 7 and 10 of the Kyoto Protocol,

*Recalling* decision 3/CP.7 establishing a framework for capacity-building in Parties with economies in transition,

*Noting* decision 3/CP.10 to review the status of implementation of decision 3/CP.7 at the twenty-seventh session of the Subsidiary Body for Implementation (December 2007) in preparation for the first commitment period of the Kyoto Protocol,

*Noting* the need to seek synergy with other capacity-building activities under relevant conventions and processes, and among Parties, bilateral and multilateral agencies, and the private sector,

*Acknowledging* views expressed by Parties with economies in transition at a capacity-building workshop for the implementation of the Convention and the Kyoto Protocol, held in Budapest, Hungary, on 26 and 27 October 2005,

1. *Decides* that the framework for capacity-building adopted by decision 3/CP.7 is applicable to the implementation of the Kyoto Protocol and endorses this framework to guide capacity-building activities relating to the implementation of the Kyoto Protocol in Parties with economies in transition;

2. *Requests* that the capacity-building needs in Parties with economies in transition resulting from the entry into force of the Kyoto Protocol on 16 February 2005 receive urgent attention from Parties included in Annex II to the Convention in a position to do so, and, as appropriate, multilateral and bilateral agencies, and the private sector, and that it be implemented taking into account decision 3.CP.7;

3. *Requests* the secretariat to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the review of the framework annexed to decision 3/CP.7 that will be considered by the Subsidiary Body for Implementation at its twenty-seventh session in accordance with decision 3/CP.10.

*9th plenary meeting  
9–10 December*

---





Decision 2/CP.10  
(FCCC/CP/2004/10/Add.1)

**Capacity-building for developing countries (non-Annex I Parties)**

*The Conference of the Parties,*

*Recalling* its decision 2/CP.7 to conduct a comprehensive review of the implementation of the framework for capacity-building in developing countries, and decision 9/CP.9 to complete the review at its tenth session and to conduct further comprehensive reviews every five years thereafter,

*Reaffirming* that decision 2/CP.7 should continue to be the basis for and guide the implementation of capacity-building activities in developing countries, and that it remains effective,

*Reaffirming also* that the guiding principles, the approaches and initial scope for the capacity-building framework, as contained in the annex to decision 2/CP.7, are still valid and important in advancing the purpose of the capacity-building framework for developing countries and in contributing to the objective of the Convention,

*Noting* that whereas a range of the priority issues identified in the capacity-building framework are being addressed by the Global Environment Facility and its implementing agencies, as well as other multilateral and bilateral agencies, significant gaps still remain to be filled and access to financial resources remains an issue to be addressed,

*Noting also* that the preparation of national communications and of national adaptation programmes of action in least developed countries and of a range of other activities has contributed to the development of individual level capacity within and across institutions and has trained individuals from different sectors, including non-governmental actors,

*Noting* that Parties, in general, continue to involve different stakeholders, such as non-governmental organizations, academic institutions, and, in some cases, the private sector, in implementing capacity-building activities,

*Acknowledging* that activities, projects and programmes implemented should continue to put emphasis on defining realistic results, identifying programme beneficiaries, monitoring the progress made towards expected results, identifying and managing risks and providing information on results achieved,

*Welcoming* the strategic approach of the Global Environment Facility towards enhancing capacity-building with the aim of providing adequate support for nationally determined and prioritized capacity-building needs,

*Having taken note* of the terms of reference of the first comprehensive review of the implementation of the framework for capacity-building in developing countries, contained in annex III to the report of the Subsidiary Body for Implementation at its eighteenth session,

*Acknowledging* all inputs into the comprehensive review, such as national communications and submissions from Parties, multilateral organizations and the secretariat, as well as from the various assessments, document FCCC/SBI/2004/9 as well as the meeting of capacity-building practitioners held on 3 December 2004 in Buenos Aires, Argentina,

1. *Decides* that the scope of capacity-building needs, as contained in the framework for capacity-building in developing countries, annexed to decision 2/CP.7, is still relevant and that the following are key factors that should be taken into account and could assist in the further implementation of decision 2/CP.7:

(a) To make institutional capacity-building a priority for the creation and strengthening of basic institutional infrastructure

(b) To raise awareness at various levels on climate change issues and increase the involvement of national governmental organizations in capacity-building activities

(c) To develop and, where appropriate, promote exchange of best practices, experiences, and information on capacity-building activities undertaken by various Parties, including financial resources, case studies and tools for capacity-building

(d) To ensure effectiveness of capacity-building activities so that:

(i) They enhance the ability of developing country Parties to implement the Convention and to participate effectively in the Kyoto Protocol process

(ii) Initial and subsequent national communications and national adaptation programmes of action provide a good measure of successful capacity-building as it relates to the implementation of the Convention

(iii) Capacity-building is integrated as a priority by policy and decision makers

(iv) Long-term sustainability of capacity-building activities is achieved through integration in planning processes

(e) Financial and technical resources should be made available, through an operating entity of the financial mechanism and, as appropriate, through multilateral and bilateral agencies and the private sector, to assist developing countries, in particular least developed countries and small island developing States among them, in the implementation of this framework

(f) To further apply learning-by-doing approaches for capacity-building by supporting various types of capacity-building activities, projects and programmes at the national and local levels

(g) To continue to improve international donor coordination in the provision of financial resources, and to harmonize donor support in alignment with national priorities, plans and strategies To ensure that resources are made available for the implementation of capacity-building activities

(h) To strengthen institutional arrangements at the national level to coordinate implementation consistent with decision 2/CP.7 as a way of promoting integration of climate change issues into the national planning processes so as to increase effectiveness and sustainability of outcomes;

2. *Encourages* Parties to further improve the implementation of capacity-building activities by taking into account key factors identified in paragraph 1 above, and to report on the effectiveness and sustainability of capacity-building programmes in their national communications and other relevant documents;

3. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism, to take into account the key factors identified in paragraph 1 of this decision in the context of the

projects of the operating entity of the financial mechanism, when supporting capacity-building activities in developing countries in accordance with decisions 2/CP.7 and 4/CP.9 and as defined in the Strategic Approach to Enhance Capacity-Building;<sup>1</sup>

4. *Invites* Parties included in Annex II to the Convention, multilateral, bilateral and international agencies and the private sector that are in a position to do so, to continue providing financial resources to support the capacity-building framework, as annexed to decision 2/CP.7;

5. *Invites* relevant intergovernmental and non-governmental organizations, and in particular the United Nations Development Programme, the World Bank and the United Nations Environment Programme, to incorporate into their own work programmes, scope of needs identified in the capacity-building framework, taking into account the key factors identified in paragraph 1 above, and to cooperate with each other, with the support and facilitation of the secretariat, in order to ensure efficient and coordinated support to capacity-building efforts by developing country Parties;

6. *Requests* the Global Environment Facility to include in its report to the Conference of Parties, at its eleventh session (November–December 2005), information on how it is responding to this decision;

7. *Decides* to initiate a second comprehensive review of the implementation of the capacity-building framework in developing countries, based on paragraph 8 of this decision and information provided by Parties, the Global Environment Facility and its implementing agencies, and bilateral, multilateral and other international organizations, at the twenty-eighth session of the Subsidiary Body for Implementation (June 2008) with a view to completing it at the fifteenth session of the Conference of the Parties (November–December 2009);

8. *Invites* Parties to submit to the secretariat, by 15 February 2006, their views on steps to be taken by the Subsidiary Body for Implementation to monitor regularly capacity-building activities undertaken pursuant to decision 2/CP.7, for consideration at the twenty-fourth session of the Subsidiary Body for Implementation (May 2006);

9. *Requests* the secretariat:

---

<sup>1</sup> GEF/C.22/8 at <<http://www.gefweb.org>>.

(a) To continue to cooperate with the operating entity of the financial mechanism of the Convention, its implementing agencies, and bilateral and other multilateral and international organizations to facilitate the implementation of the capacity-building framework;

(b) To continue to cooperate with the secretariats of the Convention on Biological Diversity and the United Nations Convention to Combat Desertification, and other pertinent United Nations Conventions to maximize synergy in implementing capacity-building activities through, for example, sharing information, knowledge, experiences and lessons learned in implementation of the respective Conventions;

(c) To prepare a synthesis report on the steps to be taken to monitor regularly capacity-building activities pursuant to decision 2/CP.7 based on views from Parties as indicated in paragraph 8 and taking into account the work of the Global Environment Facility on capacity-building performance indicators for the climate change focal area consistent with decision 4/CP.9 and make this report available to the Subsidiary Body for Implementation at its twenty-fourth session;

(d) To prepare reports, based on inputs from Parties, the Global Environment Facility and its implementing agencies, as well as from other relevant organizations and institutions, for consideration by the Subsidiary Body for Implementation at its thirty-first session (November–December 2009), to allow the Conference of Parties to complete its second comprehensive review of the capacity-building framework;

(e) To disseminate, in cooperation with the Global Environment Facility and its implementing agencies, an information document on best practices, lessons learned in capacity-building projects and programmes, and to facilitate its publication through the UNFCCC web site.

*6th plenary meeting  
17–18 December 2004*

Decision 3/CP.10  
(FCCC/CP/2004/10/Add.1)

## **Capacity-building for countries with economies in transition**

*The Conference of the Parties,*

*Recalling* the provisions relating to the capacity-building framework for countries with economies in transition, contained in its decision 3/CP.7, and to the review of the effectiveness of its implementation, contained in decision 9/CP.9,

*Noting* that capacity-building priorities contained in the framework for capacity-building in Parties with economies in transition are still pertinent,

*Noting also* the results, useful experiences and lessons learned from developing and implementing capacity-building activities at the country and regional levels, for example, the national capacity self-assessments funded by the Global Environment Facility,

*Noting further* that Parties with economies in transition still need support, and that many common issues and lessons learned from the developing countries are also applicable to the Parties with economies in transition,

*Acknowledging* the key challenges encountered by Parties with economies in transition in implementing capacity-building activities, such as insufficient financial and human resources, the need for capacity to be sustainable, lack of active stakeholder participation, the need for increasing support from key decision makers, and the inability to integrate climate change into national policies,

1. *Decides* that the scope of capacity-building needs as contained in the framework for capacity-building in countries with economies in transition, annexed to decision 3/CP.7, is still relevant and that the following are key factors that could assist in implementing decision 3/CP.7:

(a) **Enhancement** of enabling environments to promote the sustainability and effectiveness of capacity-building activities relating to the implementation of the Convention;

(b) **Improvement** of information sharing through, for example, databases and other means of sharing experiences and best practices;

(c) **Enhancement** of training, education and public awareness relating to climate change;

(d) **Cooperation** and coordination relating to capacity-building among the Parties with economies in transition;

(e) **Enhancement** of the national capacities and expertise in the governments of Parties with economies in transition, including improving institutional arrangements and national coordination;

(f) **Improvement** of the abilities of Parties with economies in transition to participate effectively in international negotiations in the climate change process, including the Convention and its Kyoto Protocol;

(g) **Participation** in, and access to, capacity-building activities by all stakeholders, including governments, civil society and the private sector;

2. *Invites* the Global Environment Facility within its mandate, Parties included in Annex II to the Convention (Annex II Parties), and multilateral, bilateral and other international organizations that are in a position to do so, to provide financial support for capacity-building activities in Parties with economies in transition, as outlined in decision 3/CP.7;

3. *Invites* the Global Environment Facility within its mandate and its implementing agencies, Annex II Parties and multilateral, bilateral and other international organizations to provide information regarding opportunities for technical and financial support for capacity-building activities in Parties with economies in transition;

4. *Encourages* Parties with economies in transition to use the outcomes and results of national capacity self-assessments in prioritizing their capacity-building activities at the country level, and to improve the capacity of experts and institutions to implement the action plans derived from their national capacity self-assessment projects;

5. *Encourages* Parties with economies in transition and Annex II Parties to exchange information on human and institutional capacities relating to general priority areas identified in decision 3/CP.7;

6. *Encourages* Parties with economies in transition to strengthen national institutions to build capacity through training, public education and awareness programmes for addressing the various issues relating to the implementation of the Convention and its Kyoto Protocol;

7. *Decides* to review the status of implementation of decision 3/CP.7 at the twenty-seventh session of the Subsidiary Body for Implementation (November 2007) in preparation for the first commitment period of the Kyoto Protocol, making use of information provided by Parties with economies in transition and Annex II Parties in their national communications and other relevant documents and information to be provided by the Global Environment Facility and its implementing agencies, and bilateral, multilateral and other international agencies;

8. *Requests* the secretariat to prepare a compilation and synthesis of information provided by Parties with economies in transition and Annex II Parties for the above-mentioned review and make it available for consideration by the Subsidiary Body for Implementation at its twenty-seventh session;

9. *Invites* the Global Environment Facility and its implementing agencies, and bilateral, multilateral and other international organizations, to provide information for the review of decision 3/CP.7 as indicated in paragraphs 7 and 8 above.

*6th plenary meeting  
17–18 December 2004*

---



## **Additional guidance to an operating entity of the financial mechanism**

*The Conference of the Parties,*

*Recalling* Article 3, Article 4, paragraphs 1, 3, 4, 5, 7, 8 and 9, Article 9, paragraph 2 (c), Article 11, paragraphs 1 and 5, and Article 12, paragraphs 3 and 4, of the Convention,

*Recalling also* its decisions 13/CP.1, 7/CP.2, 10/CP.2, 11/CP.2, 12/CP.2, 9/CP.3, 1/CP.4, 2/CP.4, 4/CP.4, 6/CP.4, 8/CP.5, 9/CP.5, 10/CP.5, 2/CP.7, 3/CP.7, 4/CP.7, 6/CP.7, 7/CP.7, 5/CP.8, 7/CP.8, 9/CP.8 and 10/CP.8,

*Recalling further* that in accordance with decision 11/CP.1, the Conference of the Parties is to give guidance on policies, programme priorities and eligibility criteria to an operating entity of the financial mechanism,

1. *Decides* that the Global Environment Facility, as an operating entity of the financial mechanism, should:

(a) On matters relating to national communications:

(b) Closely monitor the performance of the global project to support the preparation of national communications, including its effectiveness and efficiency, and continue to ensure that implementation of this project is consistent with the guidance provided by the Conference of the Parties;

(ii) Provide finance in a timely manner for the preparation of national communications by Parties not included in Annex I to the Convention (non-Annex I Parties) whose project activities are not covered by the global project;

(c) On matters relating to capacity-building:

(i) Continue to provide financial support to non-Annex I Parties, in accordance with decision 6/CP.7, for the implementation of the capacity-building framework annexed to decision 2/CP.7;

(ii) Take into account, in its work relating to the development of capacity-building performance indicators for the climate change focal area, the capacity-building framework annexed to decision 2/CP.7, and undertake this work in consultation with the Convention secretariat;

(iii) Provide financial support to countries with economies in transition, within its mandate, for the implementation of the capacity-building framework annexed to decision 3/CP.7;

(d) On matters relating to transfer of technology, continue to support enabling activities relating to technology needs assessments;

2. *Requests* the Global Environment Facility:

(a) To continue its support for education, training and public awareness activities relating to climate change;

(b) To operationalize the new strategic priority in the climate change focal area (Piloting an operational approach to adaptation) as soon as possible;

(c) To include in its report to the Conference of the Parties at its tenth session information on specific steps undertaken to implement this decision;

3. *Invites* the Global Environment Facility to give appropriate consideration to addressing the priority needs identified by non-Annex I Parties in their regional action plans relating to global observing systems for climate, noting the existence of other bilateral and multilateral agencies and mechanisms that support global climate observing systems.

*8th plenary meeting  
12 December 2003*

Decision 9/CP.9  
(FCCC/CP/2003/6/Add.1)

## Capacity-building

*The Conference of the Parties,*

*Recalling* its decision 2/CP.7 to conduct a comprehensive review of the implementation of the framework for capacity-building in developing countries at its ninth session and every five years thereafter,

*Recalling further* its decision 3/CP.7 to review at regular intervals the effectiveness of the implementation of the framework for capacity-building in countries with economies in transition,

*Noting* that capacity-building is a country-driven process, addressing specific needs and conditions of developing countries and reflecting their national strategies for sustainable development,

*Welcoming* the secretariat paper containing an analysis of the implementation of the framework for capacity-building in developing countries,<sup>1</sup>

*Welcoming also* the strategic approach of the Global Environment Facility towards enhancing capacity-building with the aim of providing adequate support for nationally determined and prioritized capacity-building needs,

*Having considered* the conclusions of the Subsidiary Body for Implementation at its eighteenth session relating to capacity-building,<sup>2</sup>

*Having taken note* of the terms of reference of the first comprehensive review of the implementation of the framework for capacity-building in developing countries, contained in annex III to the report of the Subsidiary Body for Implementation at its eighteenth session,<sup>3</sup>

---

<sup>1</sup> FCCC/SBI/2003/14.

<sup>2</sup> FCCC/SBI/2003/8, paragraph 22.

<sup>3</sup> FCCC/SBI/2003/8, annex III.

1. *Decides* to complete the first comprehensive review of the implementation of the framework for capacity-building in developing countries by its tenth session and to conduct further comprehensive reviews every five years thereafter;

2. *Decides* on the following actions and steps necessary to complete this first comprehensive review:

(a) To request the secretariat to prepare a paper, with technical appendices, on the range and effectiveness of capacity-building activities in developing countries aimed at implementing decision 2/CP.7, for consideration by the Subsidiary Body for Implementation at its twentieth session, this paper and its technical appendices to be based on the terms of reference contained in annex III of the report of the Subsidiary Body for Implementation at its eighteenth session;

(b) To invite Parties to submit to the secretariat, by 15 February 2004, additional information in a format to be guided by the above-mentioned terms of reference as an input to the paper and its technical appendices;

3. *Requests* the Chair of the Subsidiary Body for Implementation, subject to the availability of resources, and upon consideration by Parties of the secretariat paper and its technical appendices, to convene a technical meeting with the aim of contributing to the comprehensive review at the tenth session of the Conference of the Parties;

4. *Decides* to complete the review of the effectiveness of the implementation of the framework for capacity-building in countries with economies in transition, annexed to decision 3/CP.7, by its tenth session, and that further reviews should be based on the review of national communications of these countries;

5. *Encourages* Parties with economies in transition, in preparing their national communications, to provide information relating to the implementation of the framework for capacity-building in their countries, taking into account the following:

(a) Provision of enabling environments to promote the sustainability and effectiveness of capacity-building activities relating to the implementation of the ultimate objective of the Convention;

- (b) Best practices in capacity-building;
- (c) Capacity-building needs, priorities and options;
- (d) Information on how capacity-building activities are being implemented;
- (e) Cooperation relating to capacity-building among Parties with economies in transition;
- (f) Mobilization and sustainability of national capacities, including the institutional leadership necessary for national coordination and the effectiveness of capacity-building activities;
- (g) Participation in, and access to, capacity-building activities by all stakeholders, including governments, civil society and the private sector, as appropriate;
- (h) Financial and other resources needed to implement capacity-building activities;

6. *Requests* the secretariat to prepare a compilation and synthesis report on capacity-building activities in countries with economies in transition, based on information included in their national communications, if available, and on information provided by the Global Environment Facility and other relevant organizations, for consideration by the Subsidiary Body for Implementation at its twentieth session.

*8th plenary meeting  
12 December 2003*



## THE MARRAKESH ACCORDS

### Capacity-building in developing countries (non-Annex I Parties)

*The Conference of the Parties,*

*Being guided* by Articles 4.1, 4.3, 4.4, 4.5 and 4.7, in the context of Article 3, and Articles 5 and 6 of the Convention,

*Recalling* the provisions related to capacity-building for developing countries contained in its decisions 11/CP.1, 10/CP.2, 11/CP.2, 9/CP.3, 2/CP.4, 4/CP.4, 5/CP.4, 6/CP.4, 7/CP.4, 12/CP.4 and 14/CP.4,

*Noting* Article 10, paragraphs (c), (d) and (e), and Article 11 of the Kyoto Protocol,

*Recalling also* the paragraphs on capacity-building of Agenda 21 and the Programme for the Further Implementation of Agenda 21,

*Reaffirming* its decision 10/CP.5,

*Reaffirming also* that capacity-building for developing countries is essential to enable them to participate fully in, and to implement effectively their commitments under, the Convention,

*Recalling further* its decision 5/CP.6, containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

1. *Adopts* the framework for capacity-building in developing countries annexed to this decision;
2. *Decides* that this framework should guide capacity-building activities related to the implementation of the Convention and effective participation in the Kyoto Protocol process;
3. *Decides* to give immediate effect to this framework in order to assist developing countries to implement the Convention and to effectively participate in the Kyoto Protocol process;

4. *Notes* that areas for capacity-building identified under the Convention are relevant to the preparation of developing country Parties for their effective participation in the Kyoto Protocol process;

5. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism, to report on its progress in support of the implementation of this framework in its reports to the Conference of the Parties;

6. *Urges* the operating entity of the financial mechanism to adopt a streamlined and expedited approach in financing activities within this framework;

7. *Invites* bilateral and multilateral agencies, and other intergovernmental organizations and institutions, to inform the Conference of the Parties, through the secretariat, of capacity-building activities conducted to assist developing country Parties with their implementation of the framework;

8. *Encourages* bilateral and multilateral agencies, and other intergovernmental organizations and institutions, to consult with developing countries in formulating programmes and action plans to support capacity-building activities in accordance with the annexed framework;

9. *Requests* the secretariat, in accordance with this framework for capacity-building, and consistent with Article 8 of the Convention, to undertake the following tasks:

(a) To cooperate with the operating entity of the financial mechanism, its implementing agencies and other entities for capacity-building, to facilitate the implementation of this framework;

(b) To collect, process, compile and disseminate, in both printed and electronic formats, the information needed by the Conference of the Parties or its subsidiary bodies to review the progress in the implementation of this framework for capacity-building, drawing in particular on information contained in:

(c) National communications of developing country Parties relating to capacity-building activities;

(ii) National communications of Parties included in Annex II to the Convention on activities and programmes undertaken to facilitate capacity-building in developing countries related to the implementation of this framework;



(iii) Reports from the Global Environment Facility and other agencies;

(d) To provide reports to the Conference of the Parties at each of its sessions on activities to implement this framework;

10. *Decides* that the Subsidiary Body for Implementation will regularly monitor the progress of the implementation of this framework, taking into account the information provided under paragraphs 9(b) and 9(c) above, and reporting to the Conference of the Parties at each of its sessions;

11. *Decides* to conduct a comprehensive review of the implementation of this framework at the ninth session of the Conference of the Parties, and every five years thereafter;

12. *Invites* Parties to provide information through national communications and other reports to enable the Subsidiary Body for Implementation to monitor progress in the implementation of this framework;

13. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt a decision containing a framework on capacity-building that reaffirms the framework annexed to the present decision with additional reference to priority areas for capacity-building relating to the implementation of the Kyoto Protocol.

# Annex

(FCCC/CP/2001/13/Add.1)

## Framework for capacity-building in developing countries

### A. Purposes

1. The present framework for capacity-building in developing countries sets out the scope of, and provides the basis for action on, capacity-building related to the implementation of the Convention and preparation for the effective participation of developing countries in the Kyoto Protocol process that will, in a coordinated manner, assist them in promoting sustainable development while meeting the objective of the Convention. It should serve as a guide for the Global Environment Facility as an operating entity of the financial mechanism, and be considered by multilateral and bilateral organizations in their capacity-building activities related to the implementation of the Convention and preparation for their effective participation in the Kyoto Protocol process;

### A. Guiding principles and approaches

2. This framework for capacity-building in developing countries is guided and informed by, *inter alia*, Articles 4.1, 4.3, 4.4, 4.5 and 4.7, in the context of Article 3, and Articles 5, 6 and 11.1 of the Convention, and relevant provisions contained in decisions 11/CP.1, 10/CP.2, 11/CP.2, 9/CP.3, 2/CP.4, 4/CP.4, 5/CP.4, 6/CP.4, 7/CP.4, 12/CP.4, 14/CP.4, and 10/CP.5,<sup>1</sup> and takes into account Article 10, paragraphs (c), (d), and (e), and Article 11 of the Kyoto Protocol.

3. Capacity-building activities related to the implementation of the Convention by developing countries and to the preparation for their effective participation in the Kyoto Protocol process should build on work already undertaken by developing countries, as well as

---

<sup>1</sup> For the full texts of decisions adopted by the Conference of the Parties at its first, second, third, fourth and fifth sessions, see documents FCCC/CP/1995/7/Add.1, FCCC/CP/1996/15/Add.1, FCCC/CP/1997/7/Add.1, FCCC/CP/1998/16/Add.1 and FCCC/CP/1999/6/Add.1, respectively.

on the work undertaken with support from multilateral and bilateral organizations.

4. The capacity-building needs already identified in the various decisions of the Conference of the Parties should continue to be comprehensively and promptly addressed to promote sustainable development in developing countries through the effective implementation of the Convention and preparation for their effective participation in the Kyoto Protocol process.

5. There is no “one size fits all” formula for capacity-building. Capacity-building must be country-driven, addressing the specific needs and conditions of developing countries and reflecting their national sustainable development strategies, priorities and initiatives. It is primarily to be undertaken by and in developing countries in accordance with the provisions of the Convention.

6. Capacity-building is a continuous, progressive and iterative process, the implementation of which should be based on the priorities of developing countries.

7. Capacity-building activities should be undertaken in an effective, efficient, integrated and programmatic manner, taking into consideration the specific national circumstances of developing countries.

8. Capacity-building activities undertaken within this framework should maximize synergies between the Convention and other global environmental agreements, as appropriate.

9. Capacity-building is crucial to developing countries, especially those that are particularly vulnerable to the adverse effects of climate change. The special circumstances of least developed countries and small island developing States need to be taken into account in the implementation of this framework. They include:

- (a) Fragile ecosystems;
- (b) High population pressure and isolated geographic locations;
- (c) Weak economies, low incomes, high levels of poverty and a lack of foreign investment;
- (d) Land degradation, desertification;
- (e) Undeveloped services, *inter alia*, meteorologic and hydrological services and water resources management;

(f) Lack of early warning systems for natural disaster management;

(g) Inadequate food security.

10. Capacity-building involves “learning by doing”. Demonstration projects may be used in identifying and learning about the specific capacities that need to be further developed in developing countries.

11. Existing national institutions have an important role to play in supporting capacity-building activities in developing countries. Such centres can incorporate traditional skills, knowledge and practices, to provide appropriate services in developing countries and facilitate information sharing. Whenever possible and effective, therefore, capacity-building should mobilize these existing national, subregional and regional institutions and the private sector in developing countries, and build on existing processes and endogenous capacities.

12. National coordinating mechanisms and focal points and national coordinating entities have an important role to play in ensuring coordination at the country and regional levels and may serve as the focal point for coordinating capacity-building activities.

13. Multilateral and bilateral bodies are encouraged to take account of this framework in their consultations with developing countries when supporting capacity-building activities related to the implementation of the Convention and the preparation for the effective participation by developing countries in the Kyoto Protocol process.

## **B. Objective and scope of capacity-building**

### *Objective*

14. Capacity-building should assist developing countries to build, develop, strengthen, enhance, and improve their capabilities to achieve the objective of the Convention through the implementation of the provisions of the Convention and the preparation for their effective participation in the Kyoto Protocol process.

## *Scope*

15. The following is the initial scope of needs and areas for capacity-building in developing countries as broadly identified in the annex to decision 10/CP.5, in the compilation and synthesis document prepared by the secretariat,<sup>2</sup> and in submissions by Parties:<sup>3</sup>

(a) Institutional capacity-building, including the strengthening or establishment, as appropriate, of national climate change secretariats or national focal points;

(b) Enhancement and/or creation of an enabling environment;

(c) National communications;

(d) National climate change programmes;

(e) Greenhouse gas inventories, emission database management, and systems for collecting, managing and utilizing activity data and emission factors;

(f) Vulnerability and adaptation assessment;

(g) Capacity-building for implementation of adaptation measures;

(h) Assessment for implementation of mitigation options;

(i) Research and systematic observation, including meteorological, hydrological and climatological services;

(j) Development and transfer of technology;

(k) Improved decision-making, including assistance for participation in international negotiations;

(l) Clean development mechanism;

(m) Needs arising out of the implementation of Article 4, paragraphs 8 and 9, of the Convention;

(n) Education, training and public awareness;

(o) Information and networking, including the establishment of databases.

---

<sup>2</sup> FCCC/SB/2000/INF.1.

<sup>3</sup> FCCC/SB/2000/INF.5.

16. Other capacity-building needs and possible responses are being identified by the Parties in their discussions of other issues. The decisions resulting from these discussions, as well as other activities related to the implementation of the Convention and preparation for the effective participation by developing countries in the Kyoto Protocol process, should continue to inform the scope and implementation of this framework.

*Specific scope for capacity-building in least developed countries*

17. The least developed countries, and small island developing States amongst them, are among the most vulnerable to extreme weather events and the adverse effects of climate change. They also have the least capacity to cope with and adapt to the adverse effects of climate change. The following is the initial assessment of needs and priority areas for capacity-building in these countries:

(a) Strengthening existing and, where needed, establishing national climate change secretariats or focal points to enable the effective implementation of the Convention and effective participation in the Kyoto Protocol process, including preparation of national communications;

(b) Developing an integrated implementation programme which takes into account the role of research and training in capacity-building;

(c) Developing and enhancing technical capacities and skills to carry out and effectively integrate vulnerability and adaptation assessments into sustainable development programmes and develop national adaptation programmes of action;

(d) Strengthening existing and, where needed, establishing national research and training institutions in order to ensure the sustainability of the capacity-building programmes;

(e) Strengthening the capacity of meteorological and hydrological services to collect, analyse, interpret and disseminate weather and climate information to support implementation of national adaptation programmes of action;

(f) Enhancing public awareness (level of understanding and human capacity development).

## C. Implementation

*Actions to enhance the implementation of this framework, taking into account the initial scope outlined in paragraphs 15 to 17 above*

18. All Parties should improve the coordination and effectiveness of capacity-building efforts through dialogue between and among Annex II Parties, developing country Parties, and bilateral and multilateral institutions. All Parties should support the operation of this framework and promote conditions conducive to the sustainability and effectiveness of capacity-building activities.

19. In implementing this framework, developing country Parties should:

(a) Continue to identify their specific needs, options and priorities for capacity-building on a country-driven basis, taking into account existing capacities and past and current activities;

(b) Promote South-South cooperation by utilizing the services of institutions in developing countries that can support capacity-building activities at the national, subregional and regional levels, wherever possible and effective;

(c) Promote the participation of a wide range of stakeholders, including governments at all levels, national and international organizations, civil society and the private sector, as appropriate;

(d) Promote the coordination and sustainability of activities undertaken within this framework, including the efforts of national coordinating mechanisms, focal points, and national coordinating entities;

(e) Facilitate the dissemination and sharing of information on capacity-building activities conducted by developing countries for better coordination and South-South cooperation.

20. In implementing this framework, Annex II Parties should:

(a) Provide additional financial and technical resources to assist developing countries, in particular the least developed countries and small island developing States among them, in the implementation of this framework, including promptly available financial and technical resources to enable them to undertake

country-level needs assessments and to develop specific capacity-building activities consistent with this framework;

(b) Respond to the capacity-building needs and priorities of developing countries, in particular the least developed countries and small island developing States among them, in a coordinated and timely manner, and support activities implemented at the national and, as appropriate, subregional and regional levels;

(c) Give particular attention to the needs of least developed countries and small island developing States among them.

### *Financing and operation*

21. Financial and technical resources should be made available, through an operating entity of the financial mechanism and, as appropriate, through multilateral and bilateral agencies and the private sector, to assist developing countries, in particular the least developed countries and small island developing States among them, in the implementation of this framework.

22. In response to this framework, the operating entity of the financial mechanism should elaborate a country-driven strategy for its capacity-building activities.

23. Multilateral and bilateral agencies are encouraged to take constructive action to support capacity-building activities in this framework through streamlined and coordinated approaches and in a timely manner.

24. Financial and other assistance is to be made available to developing countries, in particular to the least developed countries and small island developing States among them, to enable them to continue to determine, assess and prioritize their needs for capacity-building in a simple, timely manner and to assist them in strengthening existing institutions and, when needed, to establish the institutional arrangements to implement effective capacity-building activities.

25. The capacity-building activities undertaken within this framework are to be country-driven and implemented primarily at the country level.

26. In order to facilitate the exchange of information and cooperation, developing countries, in collaboration with relevant institutions, should identify regional, subregional and sectoral



activities that can effectively and efficiently address common capacity-building needs.

27. The results of activities conducted by the Global Environment Facility as a multilateral financial institution, including the Capacity Development Initiative, as well as activities undertaken by multilateral, bilateral and private sector entities, may be considered in further developing capacity-building activities within this framework at the regional and subregional levels.

#### *Time frame*

28. This framework for capacity-building should be implemented promptly, taking into account the immediate, medium- and long-term priority needs identified by developing countries.

29. Developing countries which have already identified their capacity-building priorities through ongoing work aimed at the implementation of the Convention should be able to promptly implement capacity-building activities under this framework.

30. The immediate priority needs of developing countries, in particular the least developed countries and small island developing States among them, should be addressed urgently in the implementation of this framework.

#### *Review of progress*

31. The Conference of the Parties, through the Subsidiary Body for Implementation, shall regularly monitor and review the progress in the implementation of this framework.

32. The Global Environment Facility, as an operating entity of the financial mechanism, is requested to report on its progress in support of the implementation of this framework in its reports to the Conference of the Parties.

#### *Role of the secretariat*

33. In accordance with this framework for capacity-building, the secretariat is requested, consistent with Article 8 of the Convention, to undertake the following tasks:

(a) To cooperate with the operating entity of the financial mechanism, its implementing agencies and other entities for capacity-building to facilitate the implementation of this framework;

(b) To collect, process, compile and disseminate the information needed by the Conference of the Parties or its subsidiary bodies to review the progress made in the implementation of this framework for capacity-building.

*8th plenary meeting  
10 November 2001*

---

Decision 3/CP.7  
(FCCC/CP/2001/13/Add.1)

## **Capacity-building in countries with economies in transition**

*The Conference of the Parties,*

*Recalling its decision 11/CP.5,*

*Recalling Articles 4.1, 4.2, 4.5 and 4.6, 5, 6 and 12 of the Convention,*

*Noting Articles 2, 3, 5, 6, 7, 10 and 17 of the Kyoto Protocol,*

*Further recalling its decisions 9/CP.2, 6/CP.4 and 7/CP.4,*

*Having considered* the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation,<sup>1</sup>

*Recalling further* its decision 5/CP.6, containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

1. Adopts the framework for capacity-building activities in countries with economies in transition contained in the annex below;
2. *Decides* to give immediate effect to this framework, in order to assist Parties with economies in transition to implement the Convention;
3. *Notes* that many areas for capacity-building identified under the Convention are also relevant to the preparation of Parties with economies in transition for participation in the Kyoto Protocol when it enters into force;
4. *Decides* to review the effectiveness of the implementation of the framework at regular intervals;
5. *Invites* Parties included in Annex II to the Convention (Annex II Parties) and Parties with economies in transition to provide information to enable the Conference of the Parties and the subsidiary bodies to monitor progress in the implementation of this

---

<sup>1</sup> FCCC/SBSTA/2000/10 and FCCC/SBI/2000/10.

framework, consistent with guidelines for the preparation of national communications;

6. *Urges* Annex II Parties, through multilateral agencies, including through the Global Environment Facility within its mandate, and bilateral agencies and the private sector, as appropriate, to make available financial and technical support for the implementation of this framework for capacity-building, including assistance for the development of national action plans of Parties with economies in transition consistent with their priorities;

7. *Further urges* multilateral and bilateral agencies to coordinate their activities in support of the implementation of this framework for capacity-building;

8. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt a decision endorsing a framework for capacity-building under the Convention that parallels the framework contained in the annex below, with additional reference to priority areas for capacity-building relating to implementation of the Kyoto Protocol;

9. *Requests* the secretariat, consistent with Article 8 of the Convention:

(a) To cooperate with multilateral and bilateral institutions to facilitate the implementation of this framework;

(b) To collect, process, compile and disseminate the information needed by the Conference of the Parties and the subsidiary bodies to monitor progress in the implementation of this framework.

8th plenary meeting  
10 November 2001

## **Annex**

### **Framework for capacity-building in countries with economies in transition**

#### **A. Purpose**

1. The purpose of this framework for capacity-building is to set out the scope and basis for action for capacity-building activities in countries with economies in transition (EIT Parties) under the Convention and for the preparation of EIT Parties for their participation in the Kyoto Protocol when it enters into force.

#### **B. Guiding principles and approaches**

2. This framework for capacity-building in EIT Parties is guided and informed by, *inter alia*, Articles 4.1, 4.2, 4.5 and 4.6, 5, 6 and 12 of the Convention and relevant provisions contained in decisions 9/CP.2, 6/CP.4, 7/CP.4 and 11/CP.5,<sup>2</sup> and takes account of Articles 2, 3, 5, 6, 7 and 17 of the Kyoto Protocol.

3. As Parties included in Annex I, EIT Parties have quantified emission limitation and reduction commitments that impose challenges to their existing capacities to implement the Convention. As Parties undergoing the process of transition to a market economy, they need to enhance their ability to address climate change issues. Capacity-building is therefore critical to the effective implementation by EIT Parties of their commitments under the Convention and the preparation of EIT Parties for their participation in the Kyoto Protocol when it enters into force.

4. Capacity-building for EIT Parties must be country-driven, be consistent with their national sustainable development strategies, reflect their national initiatives and priorities, respond to needs determined and prioritized by EIT Parties themselves, and be primarily undertaken by and in EIT Parties in partnership with other Parties and relevant organizations, as appropriate, in accordance with the provisions of the Convention.

---

<sup>2</sup> For the full texts of decisions adopted by the Conference of the Parties at its second, fourth and fifth sessions, see FCCC/CP/1996/15/Add.1, FCCC/CP/1998/16/Add.1 and FCCC/CP/1999/6/Add.1 respectively.

5. Capacity-building should contribute to the effective implementation of the Convention by EIT Parties and the preparation of EIT Parties for their participation in the Kyoto Protocol when it enters into force.
6. Capacity-building efforts are more effective when they take place within an enabling environment conducive to the development of human, institutional and technical capacity.
7. Capacity-building should be results-oriented and implemented in an integrated and programmatic manner to facilitate its monitoring and evaluation, cost-effectiveness and efficiency.
8. Capacity-building is a continuous process aimed at strengthening or establishing, as appropriate, relevant institutions, organizational structures, and human resources in order to strengthen expertise relevant to paragraph 3 of this framework.
9. Capacities should be developed and strengthened in a manner and under conditions that will work towards sustainability and support the short- and long-term objectives and priorities of EIT Parties under the Convention.
10. Capacity-building involves “learning by doing”. Capacity-building activities should be designed and implemented in a flexible manner.
11. Capacity-building should improve the coordination and effectiveness of existing efforts and promote the participation of, and dialogue between, a wide range of actors and constituencies, including governments at all levels, international organizations, civil society and the private sector.
12. Wherever possible, capacity-building should utilize existing institutions and bodies and build on existing processes and endogenous capacities.
13. National focal points and other institutions, such as research centres and universities and other relevant organizations, should play an important role in providing capacity-building services and facilitating the flow of knowledge, best practices and information.
14. Capacity-building should be designed so that it results in the development, strengthening and enhancement of institutional capacities, human resources, knowledge and information, methodologies and practices, and the participation and networking of

EIT Parties to promote sustainable development, and for the purpose set out in paragraph 1 of this framework.

15. Capacity-building in support of achieving the objectives of the Convention should maximize synergies between the Convention and other global environmental agreements, as appropriate.

16. Capacity-building is more effective when it is coordinated at all levels (national, regional and international) through dialogue between and among Annex I Parties, and when past and existing efforts are taken into account.

## **C. Objective and scope of capacity-building**

### *Objective*

17. To build the capacity of EIT Parties to enable them to effectively implement the objective of the Convention and to prepare for their participation in the Kyoto Protocol when it enters into force.

### *Scope*

18. To ensure that capacity-building efforts are country-driven, each EIT Party should, within the scope of capacity-building, determine its specific objectives, needs, priorities, and options to implement the Convention and to prepare for its participation in the Kyoto Protocol when it enters into force, consistent with its national sustainable development strategy, taking into account existing capacities and past and current activities undertaken by the country itself, and in partnership with bilateral and multilateral institutions and the private sector.

19. The needs for capacity-building in EIT Parties were first identified in the compilation and synthesis document prepared by the secretariat<sup>3</sup> based on the submissions of EIT Parties.<sup>4</sup> The general areas and needs for capacity-building are listed below. This scope for capacity-building may be revised as further information is made available and as needs and priorities are further identified.

---

<sup>3</sup> FCCC/SB/2000/INF.2.

<sup>4</sup> FCCC/SB/2000/INF.7.

20. General priority areas for capacity-building identified by EIT Parties related to the implementation of the Convention, which may also be relevant to their preparation for participation in the Kyoto Protocol, are to be identified in their national action plan for capacity-building, and include:

- (a) National greenhouse gas (GHG) inventories;
- (b) Projections of GHG emissions;
- (c) Policies and measures, and the estimation of their effects;
- (d) Impact assessment and adaptation;
- (e) Research and systematic observation;
- (f) Education, training and public awareness;
- (g) Transfer of environmentally sound technologies;
- (h) National communications and national climate action plans;
- (i) National systems for estimation of GHG emissions;
- (j) Modalities for accounting relating to targets, timetables and national registries;
- (k) Reporting obligations;
- (l) Joint implementation projects and emissions trading.

21. In order to maximize available resources for capacity-building and to facilitate exchange and cooperation among EIT Parties, multilateral and bilateral agencies in consultation with EIT Parties should assist, as appropriate, the efforts of EIT Parties themselves to identify, develop and implement national, regional, subregional and sectoral activities that meet the capacity-building needs of EIT Parties. The results of the current and next phase of the Capacity Development Initiative of the Global Environment Facility (GEF) could provide valuable inputs for these activities.



## D. Implementation

### *Responsibilities for implementation*

22. In implementing the activities undertaken within this framework for capacity-building, EIT and Annex II Parties have the following mutual responsibilities:

(a) To improve the coordination and effectiveness of existing efforts;

(b) To provide information to enable the Conference of the Parties to monitor progress in the implementation of this framework for capacity-building.

23. In the implementation of this framework for capacity-building, EIT Parties have the following responsibilities:

(a) To provide an enabling environment to promote the sustainability and effectiveness of capacity-building activities relating to the implementation of the ultimate objective of the Convention;

(b) To identify their specific needs, priorities and options for capacity-building on a country-driven basis, taking into account existing capacities and past and current activities;

(c) To identify and provide information on their own capacity-building activities;

(d) To promote cooperation among EIT Parties as well as to report to the Conference of the Parties on these activities in their national communications;

(e) To ensure the mobilization and sustainability of national capacities, including the institutional leadership necessary for national coordination and the effectiveness of capacity-building activities;

(f) To promote the participation in and access to capacity-building activities of all stakeholders, including governments, civil society and the private sector, as appropriate.

24. In cooperating with EIT Parties to support the implementation of this framework for capacity-building, Annex II Parties have the following responsibilities:

(a) To assist EIT Parties, including by making available financial and other resources, to undertake country-level needs assessments to enable them to effectively implement the Convention

and, as appropriate, to prepare them for participation in the Kyoto Protocol when it enters into force;

(b) To assist EIT Parties, including through the provision of financial and other resources, to implement options for capacity-building consistent with their specific priorities and this framework.

### *Financing*

25. The Annex II Parties, through multilateral agencies, including through the Global Environment Facility within its mandate, and bilateral agencies and the private sector as appropriate, are requested to make available financial and technical support to assist EIT Parties in the implementation of this framework for capacity-building.

### *Time frame*

26. The implementation of activities undertaken within this framework for capacity-building should commence as soon as possible.

### *Monitoring of progress*

27. The Conference of the Parties, through the subsidiary bodies, shall monitor the effectiveness of the implementation of this framework for capacity-building.

28. Information to enable the Conference of the Parties to monitor the effectiveness of the implementation of this framework should be reported by Parties. Other institutions involved in capacity-building in EIT Parties are invited to provide information for this purpose.

### *Role of the secretariat*

29. In accordance with this framework for capacity-building, the secretariat is requested, consistent with Article 8 of the Convention, to undertake the following tasks:

(a) To cooperate with multilateral and bilateral institutions to facilitate the implementation of this framework;

(b) To collect, process, compile and disseminate the information needed by the Conference of the Parties or its subsidiary bodies to monitor progress in the implementation of this framework for capacity-building.

**Implementation of Article 4, paragraphs 8 and 9, of the Convention (decision 3/CP.3 and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol)<sup>1</sup>**

The Conference of the Parties,

*Determined* to protect the climate system for present and future generations, *Recalling* its decisions 11/CP.1, 3/CP.3, 1/CP.4, 5/CP.4 and 12/CP.5,

*Recalling further* its decision 5/CP.6, containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

*Recognizing* the specific needs and concerns of developing country Parties referred to in Article 4, paragraph 8, of the Convention, and the specific needs and special situations of the least developed countries referred to in Article 4, paragraph 9,

*Recognizing* that 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 are particularly vulnerable to the adverse effects of climate change,

*Recognizing* the special difficulties of those countries, especially developing countries, whose economies are particularly dependent on fossil fuel production, use and exportation, as a consequence of action taken to limit greenhouse gas emissions,

*Reaffirming* that Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities, and that,

---

<sup>1</sup> Paragraphs 13, 17, and 18 of the draft decision contained in document FCCC/CP/2001/5/Add.1 have been omitted from the final text of this decision, since their content is subsumed in decisions 6/CP.7, 28/CP.7 and 29/CP.7 and by the conclusions contained in section V.D. of document FCCC/CP/2001/13/Add.4.

accordingly, the developed country Parties should take the lead in combating climate change and the adverse effects thereof,

*Reaffirming* that the specific needs and special circumstances of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, and of those Parties, especially developing country Parties, which would have to bear a disproportionate or abnormal burden under the Convention, should be given full consideration,

*Affirming* that responses to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter, taking into full account the legitimate priority needs of developing countries for the achievement of sustained economic growth and the eradication of poverty,

*Acknowledging* the efforts already made by Parties to meet the specific needs and concerns of developing country Parties, in particular the least developed countries, with regard to adaptation,

*Acknowledging* the need to sensitize policy makers and the general public in Parties not included in Annex I to the Convention to climate change and its effects, in accordance with Article 6(a) of the Convention,

*Having considered* the report<sup>2</sup>, in two parts, on the two workshops referred to in decision 12/CP.5,

*Noting* the many persistent uncertainties highlighted by those workshops, particularly with regard to the impact of response measures,

*Insisting* that the extent to which developing country Parties will effectively implement their commitments will depend on the effective implementation by the developed country Parties of their commitments relating to financial resources and transfer of technology and will also take fully into account that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties,

*Acknowledging* that the impact of the implementation of response measures will differ significantly from country to country, depending on each country's unique national circumstances, including the structure of its economy, trade and investment, natural

---

<sup>2</sup> FCCC/SB/2000/2.

resource endowment, social system, legal regime and population growth rate,

*Recognizing* that the least developed country Parties are among the most vulnerable to the adverse effects of climate change, and in particular that widespread poverty limits their adaptive capacity,

*Acknowledging* that the human, infrastructural and economic conditions of the least developed countries severely limit their capacities to participate effectively in the climate change process,

*Noting* that many of the least developed country Parties do not have the capacity to prepare and submit national communications in the foreseeable future,

## **I. ADVERSE EFFECTS OF CLIMATE CHANGE**

1. *Asserts* the importance of a country-driven approach that allows developing country Parties to pursue the specific activities most appropriate to their unique national circumstances;

2. *Insists* that action related to adaptation follow an assessment and evaluation process, based on national communications and/or other relevant information, so as to prevent maladaptation and to ensure that adaptation actions are environmentally sound and will produce real benefits in support of sustainable development;

3. *Encourages* Parties not included in Annex I to the Convention (non-Annex I Parties) to provide information, including in their national communications, and/or any other relevant information sources, on their specific needs and concerns arising from the adverse effects of climate change;

4. *Stresses* the need for Parties included in Annex II to the Convention (Annex II Parties) to provide detailed information, including in their national communications, on support programmes to meet the specific needs and circumstances of developing country Parties arising from the adverse effects of climate change;

5. *Encourages* Parties to exchange information on their experience regarding the adverse effects of climate change and on measures to meet their needs arising from these adverse effects;

6. *Underlines* the importance of the ongoing work of the secretariat in compiling and disseminating information on methods and tools for evaluating impacts and adaptation strategies;

7. *Decides* that the implementation of the following activities shall be supported through the Global Environment Facility (in accordance with decision 6/CP.7) and other bilateral and multilateral sources:

- a. Information and methodologies:
  - (i) Improving data collection and information gathering, as well as their analysis, interpretation and dissemination to end-users;
  - (ii) Integrating climate change considerations into sustainable development planning;
  - (iii) Providing training in specialized fields relevant to adaptation such as climate and hydroclimate studies, geographical information systems, environmental impact assessment, modelling, integrated coastal zone management, soil and water conservation and soil restoration;
  - (iv) Strengthening existing and, where needed, establishing national and regional systematic observation and monitoring networks (sea-level rise, climate and hydrological monitoring stations, fire hazards, land degradation, floods, cyclones and droughts);
  - (v) Strengthening existing and, where needed, establishing national and regional centres and institutions for the provision of research, training, education and scientific and technical support in specialized fields relevant to climate change, utilizing information technology as much as possible;
  - (vi) Strengthening existing and, where needed, establishing national and regional research programmes on climate variability and climate change, oriented towards improving knowledge of the climate system at the regional level, and creating national and regional scientific capability;
  - (vii) Supporting education and training in, and public awareness of, climate change related issues, for example through workshops and information dissemination;

b. Vulnerability and adaptation:

- (i) Supporting enabling activities for vulnerability and adaptation assessment;
- (ii) Enhancing technical training for integrated climate change impact and vulnerability and adaptation assessments across all relevant sectors, and environmental management related to climate change;
- (iii) Enhancing capacity, including institutional capacity, to integrate adaptation into sustainable development programmes;
- (iv) Promoting the transfer of adaptation technologies;
- (v) Establishing pilot or demonstration projects to show how adaptation planning and assessment can be practically translated into projects that will provide real benefits, and may be integrated into national policy and sustainable development planning, on the basis of information provided in the national communications from non-Annex I Parties and/or other relevant sources, and of the staged approach endorsed by the Conference of the Parties in its decision 11/CP.1;
- (vi) Supporting capacity building, including institutional capacity, for preventive measures, planning, preparedness of disasters relating to climate change, including contingency planning, in particular, for droughts and floods in areas prone to extreme weather events;
- (vii) Strengthening existing and, where needed, establishing early warning systems for extreme weather events in an integrated and interdisciplinary manner to assist developing country Parties, in particular those most vulnerable to climate change;

8. *Decides* that the implementation of the following activities shall be supported through the special climate change fund (in accordance with decision 7/CP.7) and/or the adaptation fund (in accordance with decision 10/CP.7), and other bilateral and multilateral sources:

a. Starting to implement adaptation activities promptly where sufficient information is available to warrant such activities, *inter alia*, in the areas of water resources management, land management, agriculture, health, infrastructure development, fragile

ecosystems, including mountainous ecosystems, and integrated coastal zone management;

b. Improving the monitoring of diseases and vectors affected by climate change, and related forecasting and early-warning systems, and in this context improving disease control and prevention;

c. Supporting capacity building, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change, including contingency planning, in particular, for droughts and floods in areas prone to extreme weather events;

d. Strengthening existing and, where needed, establishing national and regional centres and information networks for rapid response to extreme weather events, utilizing information technology as much as possible;

9. *Decides* to consider, at its eighth session, the implementation of insurance-related actions to meet the specific needs and concerns of developing country Parties arising from the adverse effects of climate change, based on the outcome of the workshops referred to in paragraphs 37 and 38 below;

10. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to review, at their subsequent sessions, the progress of the above-mentioned activities and make recommendations thereon to the Conference of the Parties at its eighth session;

## **II. IMPLEMENTATION OF ARTICLE 4, PARAGRAPH 9, OF THE CONVENTION**

11. *Decides* to establish a work programme for the implementation of Article 4, paragraph 9, of the Convention, which would include activities covered under paragraphs 15 to 19 below, as well as the following:

a. Strengthening existing and, where needed, establishing, national climate change secretariats and/or focal points to enable the effective implementation of the Convention and the Kyoto Protocol, in the least developed country Parties;

b. Providing training, on an ongoing basis, in negotiating skills and language, where needed, to develop the capacity of



negotiators from the least developed countries to participate effectively in the climate change process;

c. Supporting the preparation of national adaptation programmes of action;

12. *Decides* that a least developed countries fund shall be established (in accordance with decision 7/CP.7), to be operated by an entity entrusted with the operation of the financial mechanism, under the guidance of the Conference of the Parties, to support the work programme for the least developed countries. This work programme shall include, inter alia, the preparation and implementation of national adaptation programmes of action;

13. *Invites* Annex II Parties to contribute financially to the programme mentioned in paragraph 11 above;

14. *Invites* Annex II Parties to support least developed country Parties for the following activities:

a. Promotion of public awareness programmes to ensure the dissemination of information on climate change issues;

b. Development and transfer of technology, particularly adaptation technology (in accordance with decision 4/CP.7);

c. Strengthening of the capacity of meteorological and hydrological services to collect, analyse, interpret and disseminate weather and climate information to support implementation of national adaptation programmes of action;

15. *Decides* that support be provided for the development, by the least developed countries, of national adaptation programmes of action which will serve as a simplified and direct channel of communication of information relating to the vulnerabilities and adaptation needs of the least developed countries; the information contained in national adaptation programmes of action may constitute the first step in the preparation of initial national communications;

16. *Decides* to consider, at its current session, the establishment of a least developed country group of experts, including its terms of reference, taking into account geographical balance, as well as the above-mentioned consideration of the terms of reference of the Consultative Group of Experts;

17. *Decides* to assess, at its current session, the status of implementation of Article 4, paragraph 9, of the Convention and to consider further action thereon;

### **III. IMPACT OF THE IMPLEMENTATION OF RESPONSE MEASURES**

18. *Stresses that Parties should take action consistent with the provisions of the Convention;*

19. *Decides* that the implementation of the activities included in paragraphs 25 to 32 below shall be supported through the Global Environment Facility (in accordance with decision 6/CP.7), the special climate change fund (in accordance with decision 7/CP.7), and other bilateral and multilateral sources:

20. *Encourages* non-Annex I Parties to provide information, in their national communications and/or other relevant reports, on their specific needs and concerns arising from the impact of the implementation of response measures;

21. *Requests* Annex II Parties to provide detailed information, in their national communications and/or any other relevant reports, on their existing and planned support programmes to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures;

22. *Encourages* Annex I and non-Annex I Parties to cooperate in creating favourable conditions for investment in sectors where such investment can contribute to economic diversification;

23. *Requests* Annex II Parties to assist developing countries, in particular those most vulnerable to the impact of the implementation of response measures, in meeting their capacity-building needs for the implementation of programmes which address these impacts;

24. *Urges* Parties to consider appropriate technological options in addressing the impact of response measures, consistent with national priorities and indigenous resources;

25. *Encourages* Parties to cooperate in the technological development of non-energy uses of fossil fuels, and requests Annex II Parties to support developing country Parties to this end;

26. *Encourages* Parties to cooperate in the development, diffusion and transfer of less greenhouse gas-emitting advanced fossil-fuel technologies, and/or technologies relating to fossil fuels, that capture

and store greenhouse gases, and requests Annex II Parties to facilitate the participation of the least developed countries and other non-Annex I Parties in this effort;

27. *Urges* Annex II Parties to provide financial and technological support for strengthening the capacity of developing country Parties identified in Article 4, paragraphs 8 and 9, of the Convention for improving efficiency in upstream and downstream activities relating to fossil fuels, taking into consideration the need to improve the environmental efficiency of these activities;

28. *Encourages* Annex II Parties to promote investment in, and to support and cooperate with, developing country Parties in the development, production, distribution and transport of indigenous, less greenhouse gas-emitting, environmentally sound<sup>3</sup>, energy sources, including natural gas, according to the national circumstances of each of these Parties;

29. *Urges* Annex II Parties to provide support for research into, and the development and use of, renewable energy, including solar and wind energy, in developing country Parties;

30. *Decides* to consider, at its eighth session, the implementation of insurance-related actions to meet the specific needs and concerns of developing country Parties arising from the adverse effects of climate change, based on the outcome of the workshops referred to in paragraphs 37 and 38 below;

31. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to consider, at their subsequent sessions, the response by Parties to the actions listed in paragraphs 25 to 32 above;

#### **IV. FURTHER MULTILATERAL WORK RELATING TO ISSUES UNDER ARTICLE 4, PARAGRAPHS 8 AND 9 OF THE CONVENTION**

32. *Requests* the secretariat to organize regional workshops in order to facilitate information exchange and integrated assessments, including for adaptation;

33. *Requests* the secretariat to organize a workshop, before the eighth session of the Conference of the Parties, on the status of

---

<sup>3</sup> Throughout this decision, the term "environmentally sound" means "environmentally safe and sound" (Source: Agenda 21, chapter 1).

modelling activities to assess the adverse effects of climate change and the impact of response measures already implemented on individual developing country Parties, including on how to enhance the participation of developing country experts in such efforts, and to report the results of this workshop to the Conference of the Parties at its eighth session. The terms of reference of this workshop will include assessments on approaches to minimize the adverse effects of response measures on developing countries;

34. *Requests* the secretariat to organize a workshop, to be held immediately before the workshop referred to in paragraph 38 below, and before the eighth session of the Conference of the Parties, on insurance and risk assessment in the context of climate change and extreme weather events, and to report the results of this workshop to the Conference of the Parties at its eighth session;

35. *Requests* the secretariat to organize a workshop, to be held immediately after the workshop referred to in paragraph 37 above, and before the eighth session of the Conference of the Parties, on insurance-related actions to address the specific needs and concerns of developing country Parties arising from the adverse effects of climate change and from the impact of the implementation of response measures, and to report the results of this workshop to the Conference of the Parties at its eighth session;

36. *Requests* the secretariat to organize a workshop, before the ninth session of the Conference of the Parties, on possible synergies and joint action with the other multilateral environmental conventions and agreements, such as the United Nations Convention to Combat Desertification, and to report the results of this workshop to the Conference of the Parties at its ninth session;

37. *Requests* the secretariat to organize a workshop, before the ninth session of the Conference of the Parties, on the needs and options of non-Annex I Parties for economic diversification, and on support programmes by Annex II Parties to address these needs, and to report the results of this workshop to the Conference of the Parties at its ninth session;

*8<sup>th</sup> plenary meeting  
10 November 2001*

## **Funding under the Kyoto Protocol**

*The Conference of the Parties,*

*Recalling* Articles 10, 11 and 12, paragraph 8, of the Kyoto Protocol, Recalling also its decisions 11/CP.1 and 15/CP.1,

*Recalling further* its decision 5/CP.6, containing the Bonn Agreements on the implementation of the Buenos Aires Plan of Action,

*Recognizing* that funding should be made available to Parties not included in Annex I which is new and additional to contributions under the Convention,

*Recognizing also* that appropriate modalities for burden sharing need to be developed,<sup>1</sup>

*Welcoming* the statements made at the second part of the sixth session of the Conference of the Parties by most Parties included in Annex II<sup>1</sup> on their willingness to commit themselves to provide funding,

*Welcoming also* the joint political declaration made by the European Community and its member States, together with Canada, Iceland, New Zealand, Norway and Switzerland, on their preparedness to collectively contribute €450 million/US\$ 410 million annually by 2005, with this level to be reviewed in 2008,

1. *Decides* that an adaptation fund shall be established to finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Protocol, as well as activities identified in paragraph 8 of decision 5/CP.7;

---

<sup>1</sup> Joint political declaration by the European Community and its member States, together with Canada, Iceland, New Zealand, Norway and Switzerland, and a statement by Japan. For the text of the political declaration and the statement by Japan see document FCCC/CP/2001/MISC.4.

2. *Decides also* that the adaptation fund shall be financed from the share of proceeds on the clean development mechanism project activities and other sources of funding;
3. *Decides further* that Parties included in Annex I that intend to ratify the Kyoto Protocol are invited to provide funding, which will be additional to the share of proceeds on clean development mechanism project activities;
4. *Decides also* that the adaptation fund shall be operated and managed by an entity entrusted with the operation of the financial mechanism of the Convention, under the guidance of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, with guidance to be provided by the Conference of the Parties in the period prior to entry into force of the Kyoto Protocol;
5. *Invites* the entity referred to in paragraph 4 above to make the necessary arrangements for this purpose;
6. *Decides* that Parties included in Annex I that intend to ratify the Kyoto Protocol shall report on their financial contributions to the fund on an annual basis;
7. *Decides also* to review the reports referred to in paragraph 6 above on an annual basis, and that, upon entry into force of the Kyoto Protocol, such reports are to be reviewed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

*8<sup>th</sup> plenary meeting  
10 November 2001*