



作为《京都议定书》缔约方会议的《公约》缔约方会议
第五届会议
2009年12月7日至18日，哥本哈根
临时议程项目 9(a)
适应基金
适应基金董事会的报告

适应基金董事会的报告

适应基金董事会主席的说明*

概要

本报告是根据第 1/CMP.3 号决定编写的，该决定请适应基金董事会向作为《京都议定书》缔约方会议的《公约》缔约方会议(《议定书》缔约方会议)的每届会议报告其活动情况；本报告涵盖从 2008 年 12 月至 2009 年 9 月的时期。主席将向《议定书》缔约方会议第五届会议口头报告从 2009 年 9 月至 2009 年 12 月开展的活动情况。本报告提供了关于适应基金所获进展情况的信息，尤其提供了《议定书》缔约方会议所授权任务执行情况的信息，并酌情提出了建议《议定书》缔约方会议采取的行动。除其他外本报告载有一份供《议定书》缔约方会议根据第 1/CMP.3 号决定核准的决定草案，以及关于适应基金董事会所作的决定和所采取的行动的信息，提请《议定书》缔约方会议注意。

* 本文件逾期提交是由于适应基金董事会第七次会议的时间安排。

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一. 引言

A. 任务

1. 缔约方会议第七届会议同意设立适应基金。¹ 作为《京都议定书》缔约方会议的《公约》缔约方会议(《议定书》缔约方会议)第三届会议决定, 适应基金的经营实体应为适应基金董事会, 配备秘书处和一名受托管理人为其提供服务。²

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

B. 本说明的范围

3. 本报告提供了关于适应基金所获进展情况的信息, 尤其提供了《议定书》缔约方会议所授权任务执行情况的信息, 并酌情提出了供《议定书》缔约方会议采取行动的建议。本报告涵盖 2008 年 12 月至 2009 年 9 月的时期。

C. 供作为《京都议定书》缔约方会议的《公约》缔约方会议第五届会议采取行动的建议

4. 《议定书》缔约方会议不妨注意本报告所载资料, 并考虑通过附件一所载的一项关于适应基金董事会议事规则修正案的決定草案。根据第 1/CMP.4 号决定第 2 段, 适应基金董事会审议了其议事规则, 并且正在向《议定书》缔约方会议提交拟议议事规则修正案供核可, 涉及“秘书处”、“执行实体”和“实施实体”的定义(议事规则第 5 条(h)项、第 5 条(j)项和第 5 条(k)项)。

5. 适应基金董事会请《议定书》缔约方会议注意在报告所述期间根据第 1/CMP.3 号决定第 5(m)段采取的下列关键行动和作出的决定:

(a) 通过了“缔约方获得适应基金资源的业务政策和指南”, 包括与项目周期相关的政策和指南、执行实体为获得资源所应达到的信托标准以及这些执行实体的认证程序(附件二);

(b) 核证的排减量的货币化。根据第 1/CMP.3 号决定第 5 段(k), 适应基金董事会的货币化方案于 2009 年 5 月开始;

¹ 第 10/CP.7 号决定。

² 第 1/CMP.3 号决定, 第 3 段。

(c) 环境基金理事会批准了《议定书》缔约方会议与环境基金理事会之间签署的关于向适应基金董事会提供秘书处服务的“谅解备忘录”；

(d) 批准了由国际复兴和开发银行作为适应基金受托管理人所应提供服务的条款和条件。

二. 报告所述期间开展的工作

6. 适应基金董事会在报告所述期间举行了 4 次会议，每次会议都是在德国波恩《联合国防治荒漠化公约》所在地举行的。会议议程和说明(包括关于议程项目的背景文件)以及会议的详细报告均可在适应基金网站查阅。³

7. 以下各节叙述了董事会在报告所述期间开展的主要工作。

选举适应基金董事会主席和副主席

8. 根据第 1/CMP.3 号决定第 13 段，适应基金董事会第四次会议一致选举 Jan Cedergren 先生(瑞典)为适应基金董事会主席、Farrukh Iqbal Khan 先生(巴基斯坦)为副主席。

适应基金董事会人员组成变动

9. 在报告所述期间，替换了适应基金董事会的一些董事和候补董事。在董事会董事中，出现了如下变动：Enele Sopoaga 先生(图瓦卢，小岛屿发展中国家)由 Leonard Nurse 先生(巴巴多斯，小岛屿发展中国家)替换，他随后又被 Selwin Hart 先生替换(巴巴多斯，小岛屿发展中国家)。Naoya Tsukamoto 先生(日本，《公约》附件一所列缔约方(附件一缔约方))由 Hiroshi Ono 先生(日本，附件一缔约方)替换。Carlos Rufino Costa 先生(哥伦比亚，非《公约》附件一所列缔约方(非附件一缔约方))由 Ricardo Lozano Picon 先生(哥伦比亚，非附件一缔约方)替换。Ermira Fida 女士(阿尔巴尼亚，东欧集团)由 Medea Inashvili 女士(格鲁吉亚，东欧集团)替换。Frank Fass-Metz 先生(德国，西欧和其他国家集团)由 Jan Cedergren 先生(瑞典，西欧和其他国家集团)替换。

10. 董事会候补董事中发生了如下变动：Emily Ojoo-Massawa 女士(肯尼亚，非洲集团)由 Richard Mwendandu 先生(肯尼亚，非洲集团)替换。Alejandro Nieto 先生(西班牙，附件一缔约方)由 Vanesa Alvarez Franco 女士(西班牙，附件一缔约方)替换。Mohammad Qamar Munir 先生(孟加拉国，最不发达国家)由 AHM Mustain Billah 先生(孟加拉国，最不发达国家)替换，他随后又被 Nojibur Rahman 先生(孟加拉国，最不发达国家)替换，Rahman 先生则被 Mirza Shawkat Ali 先生(孟加拉国，最不发达国家)替换。

³ <<http://www.adaptation-fund.org>>。

适应基金董事会 2009 年会议日历

11. 在 2009 年 3 月 24 日至 27 日在波恩举行的第五次会议上，适应基金理事会通过了 2009 年会议日历(见表 1)。

表 1. 适应基金董事会 2009 年会议日历

日期	地点
3 月 24 日至 27 日	德国，波恩
6 月 15 日至 17 日	德国，波恩
9 月 14 日至 16 日	德国，波恩
11 月 16 日至 18 日	德国，波恩

适应基金董事会的工作计划

12. 在第六次会议上，董事会通过了适应基金董事会 2009 年工作计划。

适应基金董事会的预算、秘书处和受托管理人

13. 在报告所述期间举行的四次会议上，适应基金董事会审议并批准了用以支持适应基金董事会及其秘书处和受托管理人的工作至 2010 年 6 月 30 日的资源。

缔约方获得适应基金资源的业务政策和指南

14. 第 1/CMP.3 号决定第 29 段规定，“符合资格的缔约方应可直接向适应基金董事会提交项目建议，各国政府选定的能够执行适应基金供资项目的执行实体和实施实体也可直接向适应基金董事会提出建议。”

15. 根据上文第 14 段所述规定，董事会第七次会议通过了附件二所载的“缔约方获得适应基金资源的业务政策和指南”。业务政策和指南包括，根据第 1/CMP.3 号决定第 30 段，国家和多边执行实体为获得基金资源所应达到的信托标准。

设立适应基金董事会委员会

16. 根据第 1/CMP.3 号决定第 5(g)段，适应基金董事会负责设立委员会、专门小组和工作组，以便除其他外，在有需要的情况下，提供专家咨询意见，协助适应基金董事会履行其职能。

17. 根据该项任务授权，董事会第五次会议决定设立一个道德与财务委员会和一个项目与方案审查委员会。董事会第六次会议通过了载于附件三的两个委员会的职权范围以及董事会委员会的一般准则，并选定了委员会成员。

设立适应基金董事会认证组

18. 根据上文第 16 段所述规定，适应基金董事会第七次会议通过了载于附件四的适应基金董事会认证组设立事宜职权范围。

为适应基金董事会秘书处作出的法律安排

19. 《议定书》缔约方会议第四届会议批准了《议定书》缔约方会议与环境基金理事会达成的关于向适应基金董事会提供的秘书处服务问题“谅解备忘录”之后，环境基金理事会在 2009 年 6 月 22 日至 24 日在美利坚合众国华盛顿特区举行的第 35 次会议上批准了该谅解备忘录，并授权环境基金秘书处向适应基金董事会提供“谅解备忘录”和下列文件中所列的各种秘书处服务：“适应基金董事会议事规则”，“适应基金董事会秘书处的作用和责任”，以及“缔约方获得适应基金资源的临时业务政策和指南”。

为适应基金受托管理人作出的法律安排

20. 世界银行执行董事批准了国际复兴和开发银行作为适应基金受托管理人提供服务的条款和条件，在《议定书》缔约方会议第四届会议批准了这些条款和条件之后，于 2009 年 2 月 27 日生效。

核证的排减量的货币化

21. 根据第 1/CMP.3 号决定第 5(k)段，适应基金董事会负责将清洁发展机制执行理事会发放并转给适应基金的核证的排减量货币化，并需每年向《议定书》缔约方会议报告核证的排减量的货币化情况。

22. 借助核证的排减量货币化方案，世界银行作为受托管理人将适应基金的核证的排减量转换成现金。根据第 1/CMP.3 号决定第 28 段，核证的排减量货币化的三项目标是：确保适应基金有可预见的收入流；优化适应基金的收入，同时限制金融风险；保持透明度，利用适当的专门知识并以最具成本效益的方式将收益分成货币化。

23. 2009 年 5 月，世界银行作为受托管理人完成了将核证的排减量货币化的第一批起始交易。它以每吨 12.17 欧元的平均价格售出第一批 60 万单位核证的排减量。2009 年 6 月，进行了核证的排减量的第二次销售，以每吨 11.46 欧元的平均价格售出了 50 万单位核证的排减量。核证的排减量的购买方广泛分布于各经济部门和地区。适应基金董事会批准的核证的排减量货币化准则规定，世界银行作为受托管理人进行碳交易方面的持续销售并对核证的排减量进行直接销售。适应基金董事会同意，在需要资源为项目和方案提供资金之前，受托管理人应继续以适度步伐对核证的排减量进行货币化。

24. 截至 2009 年 9 月 16 日，受托管理人已售出 113 万单位核证的排减量，为适应基金创造了大约 1,870 万美元的收入。

适应基金董事会的法律能力

25. 《议定书》缔约方会议第四届会议决定，“赋予适应基金董事会为履行如下职能所必需的法律能力：使有资格的缔约方、执行实体和实施实体直接获得资金”。⁴

26. 因此，董事会请缔约方赋予适应基金董事会法律能力并作为其东道国。两个缔约方——巴巴多斯和德国，提出了有关提议。适应基金董事会第六届和第七届会议审议了这两个提议，但在作出最后决定前，正等待这两个缔约方提供进一步资料。

设立适应基金的信托基金

27. 世界银行作为受托管理人根据其规则和程序设立了一个专项信托基金，代表适应基金将来自核证的排减量货币化的收益和其它捐款持有为现金。

28. 《议定书》缔约方会议和作为受托管理人的世界银行之间达成的法律安排规定，受托管理人的支付仅应按照并根据适应基金董事会的书面指示作出。根据这些安排，受托管理人将发挥一个有限的、非经营性作用。一旦转移了资金，受托管理人对于信托基金的使用以及使用资金开展的活动不负任何责任。

偿还缔约方所作捐款

29. 适应基金董事会第六次会议决定偿还相当于最不发达国家基金一项贷款的未结清款项，以及澳大利亚政府、大不列颠及北爱尔兰联合王国政府和联合国环境规划署(环境署)的应偿还捐款。关于这些捐款的更多资料载于附件五。

30. 截至 2009 年 7 月 30 日，已偿还了相当于最不发达国家基金贷款的债务。

适应基金图标竞征

31. 适应基金董事会第五次会议决定请秘书处为鼓励提交适应基金的备选图标举行一次竞征活动。适应基金董事会第六次会议从已提交的图标中选定了一个图标作为适应基金的图标。适应基金董事会还请竞征活动的胜出者出席了在适应基金董事会第七次会议期间举行的颁奖仪式。

与抗御气候变化试点方案的互动

32. 在报告所述期间，Merlyn Van Voore 女士(南非，非洲集团)出席了世界银行抗御气候变化试点方案的三次会议，并向董事会提交了关于抗御气候变化试点方案小组委员会活动的两份报告。

⁴ 第 1/CMP.4 号决定，第 11 段。

三. 向适应基金董事会及其任务履行提供的支持

33. 《议定书》缔约方会议第三届会议请适应基金董事会提出机制和建议，以使适应基金开始运作。⁵ 董事会已完成了《议定书》缔约方会议指示的任务；董事会认为，它已建立了适应基金的运作所必需的体制和监管架构，包括为确保直接获取资源而设立的框架。

34. 董事会感谢丹麦、芬兰、法国、日本、挪威、瑞典和瑞士政府提供的财政支持，使董事会可在核证的排减量的起始货币化之前举行会议。

35. 董事会还感谢澳大利亚政府和联合王国政府以及环境署以应偿还捐款形式提供的支持。

36. 此外，董事会赞赏适应基金董事会秘书处、受托管理人以及《气候公约》秘书处提供的支持。

37. 适应基金理事会通过了直至 2009 年底期间的工作计划，核准了用以支持这项工作计划的预算，启动了核证的排减量的货币化，建立了适应基金业务框架，其中包括：

(a) “缔约方获得适应基金资源的业务政策和指南”，包括项目周期，执行实体为获得适应基金资源所应达到的信托标准，以及执行实体的认证程序和用于提交项目的模版；

(b) 认证组的设立。

38. 董事会已制订了执行实体的认证体系。它还采取措施组建了认证组，任命了认证组的两名成员：William Kojo Agyemang-Bonsu 先生(加纳，非附件一缔约方)和 Jerzy Janota Bzowski 先生(波兰，东欧集团)。董事会还启动了选择独立专家作为认证组成员的进程。此外，董事会核准了一封向符合资格的缔约方寄发的信函，请其提名国家法律实体以便对其认证；还核准了一封信函，请多边机构表达愿意作为多边执行实体的意向。

39. 世界银行作为受托管理人完成了代表适应基金董事会启动核证的排减量的起始销售所必需的法律和财务安排，并已通过售出 113 万单位核证的排减量为适应基金筹集了 1,870 多万美元。

40. 根据第 1/CMP.3 号决定第 18 段，2009 年 2 月完成了适应基金董事会第一位专职人员——适应基金董事会秘书处经理的招聘工作。另外两名专职人员的招聘进程已经开始，预计将于 2009 年底完成。

41. 为启动项目周期和为项目与方案建议提供资金，除适应基金的现有资金之外，可能还需要大量资源。适应基金的信托基金中用于向各项决定提供资金的可

⁵ 第 1/CMP.3 号决定，第 5(b)段。

用净资源，截至 2009 年 8 月 31 日，为 899 万美元。可用至 2012 年的资金粗略估计为 4.8 亿美元。

四. 2010 年会议日历以及 2010 年财政年度行政预算

42. 董事会已于 2009 年制定了业务框架；2010 年，董事会将核准符合发展中国家适应工作需要的融资提案。

适应基金董事会会议日历

43. 适应基金董事会 2010 年会议日历见表 2。⁶

表 2. 适应基金董事会 2010 年会议日历

月份	地点
3 月	德国，波恩
6 月	德国，波恩
9 月	德国，波恩
12 月	未知

行政预算

44. 截至 2009 年 7 月 30 日，2010 年财政年度的预算需要，预计为 2,288,933 美元。

五. 观察员出席适应基金董事会会议的模式

45. 依照非政府组织观察员的建议和请求，董事会采取了以下措施：

- (a) 董事会会议的议事情况，在适应基金网站上以网播形式提供；
- (b) 自董事会第五次会议以来，每次会议之后都向新闻界发布一项声明，并贴载于适应基金网站上；
- (c) 自第六次会议以来，在董事会举行会议时，观察员可与董事会就座于同一个会议室。

⁶ 表 2 中提到的地点可能会有变动，这取决于《议定书》缔约方会议就赋予适应基金董事会法律能力的法律安排问题作出的决定。

Annex I

[ENGLISH ONLY]

Proposed amendments to the rules of procedure of the Adaptation Fund Board

In accordance with decision 1/CMP.4, paragraph 2, the following text is put forward for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as amendments to the rules of procedure of the Adaptation Fund Board contained in annex I to decision 1/CMP.4.

1. The following text should replace the text contained in paragraph 2 (h):

“Secretariat” is a body appointed by the CMP to provide secretariat services to the Board, consistent with decision 1/CMP.3, paragraphs 3, 18, 19 and 31;

2. The following text should replace the text contained in paragraph 2 (j):

“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. The following text should replace the text contained in paragraph 2 (k):

“Executing entities” are organizations that execute adaptation projects and programmes supported by the Fund under the oversight of Implementing Entities;

Annex II

[ENGLISH ONLY]

Operational policies and guidelines for Parties to access resources from the Adaptation Fund

Introduction

1. Article 12, paragraph 8, of the Kyoto Protocol states that “The Conference of the Parties serving as the meeting of the Parties to this Protocol shall 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.” This is the legal basis for the establishment of the Adaptation Fund.

2. At the seventh session of the Conference of the Parties, held in Marrakesh, Morocco, from 29 October to 10 November 2001, Parties agreed to the establishment of the Adaptation Fund (hereinafter referred to as the Fund).¹

3. At its first and second sessions^{2, 3}, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), decided on specific approaches, principles and modalities to be applied for the operationalization of the Fund.

4. At its third session, the CMP decided that the operating entity of the Fund would be the Adaptation Fund Board (hereinafter referred to as the Board), serviced by a secretariat and a trustee.⁴ Parties invited the Global Environment Facility to provide secretariat services to the Adaptation Fund Board (hereinafter referred to as the secretariat), and the World Bank to serve as the trustee (hereinafter referred to as the trustee) of the Fund, both on an interim basis.

5. Decision 1/CMP.3, paragraph 5 (b), defines one of the functions of the Board as developing and deciding 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 CMP.

6. At its fourth session, the CMP, through its decision 1/CMP.4, adopted:

(a) The rules of procedures of the Adaptation Fund Board;

(b) The memorandum of understanding between the CMP and Council of the Global Environmental Facility regarding secretariat services to the Adaptation Fund Board, on an interim basis;

¹ See decision 10/CP.7, “Funding under the Kyoto Protocol”.

² See decision 28/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” in Annex I to this document.

³ See decision 5/CMP.2, “Adaptation Fund”, in Annex I to this document.

⁴ See decision 1/CMP.3, “Adaptation Fund”, in Annex I to this document.

(c) 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;

(d) The strategic priorities, policies and guidelines of the Adaptation Fund (see annex I).

7. The CMP, by its decision 1/CMP.4, paragraph 11, decided 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.

8. This document (hereafter referred to as the operational policies and guidelines), in response to the above CMP decisions, outlines operational policies and guidelines for eligible developing country Parties to access resources from the Fund. The operational policies and guidelines are expected to evolve further based on the experience acquired through the operationalization of the Fund, subsequent decisions of the Board and future guidance from the CMP.

Definitions of Adaptation Projects and Programmes

9. The Adaptation Fund established under decision 10/CP.7 shall finance concrete adaptation projects and programmes.

10. A concrete adaptation project is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. Adaptation projects can be implemented at the community, national, and transboundary level. Projects concern discrete activities with a collective objective(s) and concrete outcomes and outputs that are more narrowly defined in scope, space, and time.

11. An adaptation programme is a process, a plan, or an approach for addressing climate change impacts that is broader than the scope of an individual project.

Operational and Financing Priorities

12. The overall goal of all adaptation projects and programmes financed under the Fund will be to support concrete adaptation activities that reduce the adverse effects of climate change facing communities, countries, and sectors.

13. Provision of funding under the Fund will be based on, and in accordance with, the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund* adopted by the CMP, attached as Annex I.

14. Funding will be provided on full adaptation cost basis of projects and programmes to address the adverse effects of climate change.⁵ Full cost of adaptation means the costs associated with implementing concrete adaptation activities that address the adverse effects of climate change. The Fund will finance projects and programmes whose principal and explicit aim is to adapt and increase climate resilience. The project proponent is to provide justification of the extent to which the project contributes to adaptation and climate resilience. The Board may provide further guidance on financing priorities, including through the integration of information based on further research on the full costs of adaptation and on the lessons learned.

⁵ Decision 5/CMP.2, paragraph 1 (d).

15. In developing projects and programmes to be funded under the Fund, eligible developing country Parties may wish to consider the guidance provided in Decision 5/CP.7. Parties may also consult information included in reports from the Intergovernmental Panel on Climate Change (IPCC) and information generated under the Nairobi Work Programme (NWP) on Impacts, Vulnerability and Adaptation to Climate Change.⁶

16. Decisions on the allocation of resources of the Fund shall take into account the criteria outlined in the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund*, adopted by the CMP, specifically:

- (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. Resource allocation decisions will be guided by paragraphs 9 and 10 of the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund*.

18. The Board will review its procedures for allocating resources of the Fund among eligible Parties at least every three years, and/or as instructed by the CMP.

Project/Programme Proposal Requirements

19. To access Fund resources, a project/programme will have to be in compliance with the eligibility criteria contained in paragraph 15 of the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund* and using the relevant templates.

Country Endorsement

20. Every proposal for funding must be endorsed by the requesting government.

21. Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

Financing Windows

22. Parties may undertake adaptation activities under the following categories:

- (a) Small-size projects and programmes (proposals requesting up to \$1 million);
- and

⁶ IPCC Assessment Report 4, see <http://www.ipcc.ch/ipccreports/assessments-reports.htm> and NWP see http://unfccc.int/adaptation/sbsta_agenda_item_adaptation/items/3633.php.

- (b) Regular projects and programmes (proposals requesting over \$1 million).

Eligibility Criteria

Country Eligibility

23. The Fund shall finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change.

24. Paragraph 10 of the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund*⁷ provides the country eligibility criteria.

25. A cap in resource allocation per eligible host country, project and programme will be agreed by the Board based on a periodic assessment of the overall status of resources in the Adaptation Fund and with a view to ensuring equitable distribution.

Implementing and Executing Entities

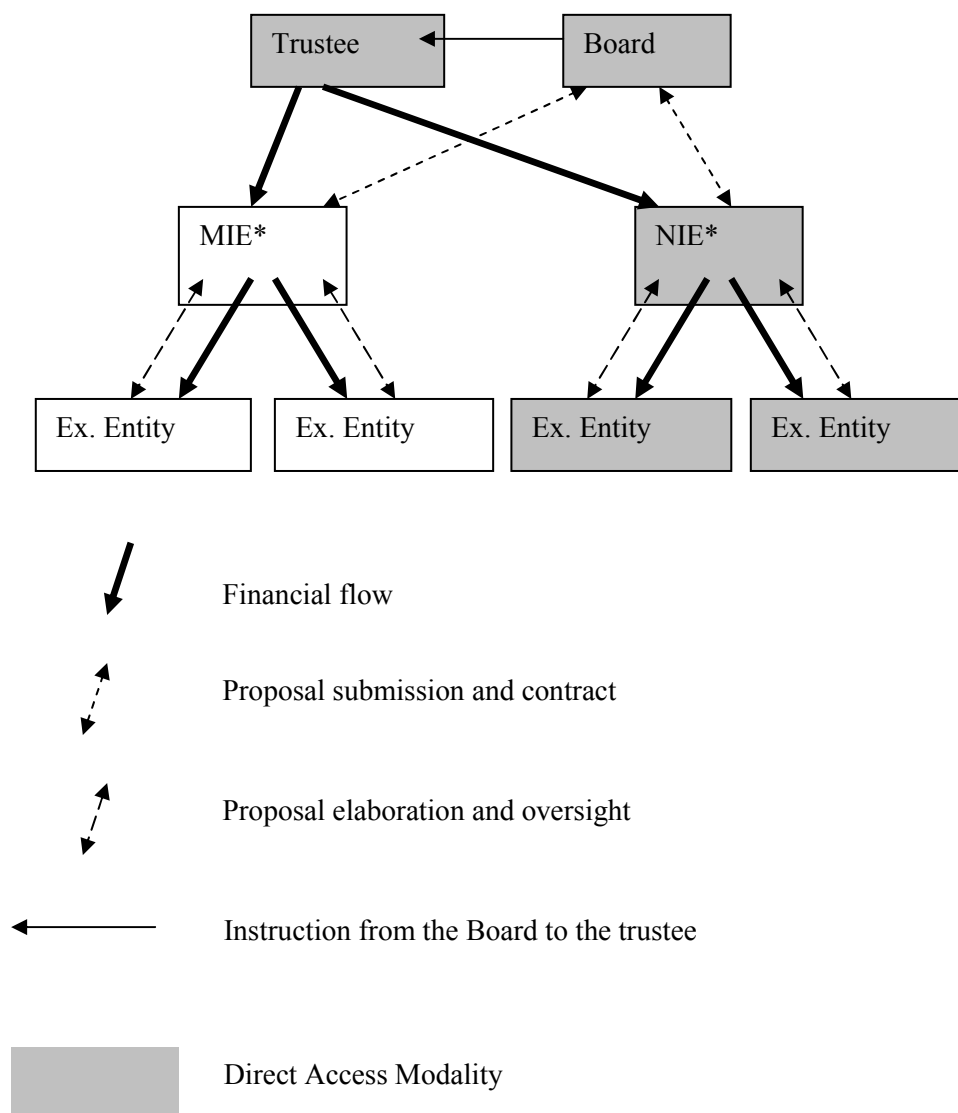
26. Eligible Parties who seek financial resources from the Adaptation Fund shall submit proposals directly through their nominated National Implementing Entity (NIE).⁸ They may, if they so wish, use the services of Multilateral Implementing Entities (MIE). The implementing entities shall obtain an endorsement from the government.⁹ The modalities for accessing resources of the Adaptation Fund are outlined in Figure 1.

⁷ Document FCCC/KP/CMP/2008/11/Add.2: <<http://unfccc.int/resource/docs/2008/cmp4/eng/11a02.pdf#page=1>>.

⁸ They may include inter alia, ministries, inter-ministerial commissions, government cooperation agencies.

⁹ As laid out in paragraph 21: “Each Party shall designate and communicate the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.”

Figure 1: Modalities for Accessing Resources of the Adaptation Fund



* A Party nominates a National Implementing Entity or it may also nominate a Multilateral entity.

27. National Implementing Entities (NIE) are those national legal entities nominated by Parties that are recognized by the Board as meeting the fiduciary standards established by the Board. The NIEs will bear the full responsibility for the overall management of the projects and programmes financed by the Adaptation Fund, and will bear all financial, monitoring, and reporting responsibilities.

28. A group of Parties may also nominate regional and sub-regional entities as implementing entities, in which case provisions of paragraph 0 will apply.

29. Multilateral Implementing Entities (MIE) are those Multilateral Institutions and Regional Banks that meet the fiduciary standards provided by the Board. The MIEs, chosen

by eligible Parties to submit proposals to the Board, will bear the full responsibility for the overall management of the projects and programmes financed by the Adaptation Fund, and will bear all financial, monitoring, and reporting responsibilities.

30. In the case of regional (i.e., multi-country) projects and programmes, the proposal submitted to the Board should be endorsed by the designated authority of each participating Party.

31. Executing Entities are organizations that execute adaptation projects and programmes supported by the Fund under the oversight of the Implementing Entities.

Accreditation of Implementing Entities

Fiduciary Standards

32. Among the principles established for the Adaptation Fund (Decision 5/CMP.2) is “sound financial management, including the use of international fiduciary standards.” At its 7th meeting the Board adopted fiduciary standards governing the use, disbursement and reporting on funds issued by the Adaptation Fund covering the following broad areas (refer to Annex 2 for details):

- (a) Financial Integrity and Management:
 - (i) Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization;
 - (ii) Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;
 - (iii) Produce forward-looking financial plans and budgets;
 - (iv) Legal status to contract with the Adaptation Fund and third parties
- (b) Institutional Capacity:
 - (i) Procurement procedures which provide for transparent practices, including in competition;
 - (ii) Capacity to undertake monitoring and evaluation;
 - (iii) Ability to identify, develop and appraise project;
 - (iv) Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project /programme delivery and implementation.
- (c) Transparency and Self-investigative Powers: Competence to deal with financial mismanagement and other forms of malpractice.

Accreditation Process

33. Accreditation for the implementing entities would follow a transparent and systematic process through an Adaptation Fund Accreditation Panel supported by the Secretariat. The Accreditation Panel will consist of two Board Members and three experts. The different steps for accreditation are as follows:

(a) The Board will invite each Party¹⁰ to nominate a national implementing entity; the Board will issue a call to potential multilateral implementing entities to express interest in serving as a MIE;

(b) Potential implementing entities will submit their accreditation applications to the Secretariat together with supporting documentation to verify how they meet the fiduciary standards;

(c) The Secretariat will review the documentation to ensure that all the necessary information is provided, and will follow-up with the potential implementing entities to ensure that the application package is complete. The Secretariat will forward the complete package to the Accreditation Panel within 15 (fifteen) working days following receipt of a candidate implementing entity's submission;

(d) The Panel will undertake a desk-review of the application and forward its recommendation to the Board; should the Panel require additional information prior to making its recommendation, a mission and/or a teleconference may be undertaken with regard to the country concerned.¹¹The Board will provide further guidance on the required information in the future on the basis of lessons learned; and

(e) The Board will make a decision and in writing will notify the entity of the outcome, which could fall into one of the following categories:

- (i) Applicant meets requirements and accreditation is recommended; or
- (ii) Applicant needs to address certain requirements prior to full accreditation.

34. In case the nominated NIE does not meet the criteria, an eligible Party may resubmit its application after addressing the requirements of the Board. In the meantime, eligible Parties are encouraged to use the services of an MIE, if they so wish, to submit project proposals for funding by the Adaptation Fund.

35. Accreditation will be valid for a period of 5 years. The Board will develop guidelines for renewal of an implementing entity's accreditation based on simplified procedures that will be established at a later date.

36. The Board reserves the right to evaluate the performance of implementing entities at any time during an implementing entity's accreditation period. A minimum notification of 6 months will be given to an implementing entity if they have been identified by the Board as being the object of such an evaluation.

37. The Board may also consider suspending or cancelling the accreditation of an implementing entity if the entity made false statements or provided intentionally incomplete information to the Board both at the time of accreditation to the Board or in submitting a project or programme proposal.

38. Before the Board makes its final decision on whether to suspend or cancel the accreditation of an implementing entity, the entity concerned will be given a fair chance to present its views to the Board.

¹⁰ The designated authority referred to in paragraph 21 above shall endorse the application for accreditation on behalf of the Party.

¹¹ The Panel will specify areas requiring further work to meet the requirements and may provide technical advice to address such areas. In exceptional circumstances, an external assessor may be used to help resolve especially difficult/contentious issues.

Project Cycle

39. The project cycle of the Adaptation Fund for any project or programme size begins with a proposal submission to the Secretariat by the NIE/MIE chosen by the government of the recipient country/ies. The submission is followed by an initial screening, project review and approval.¹²

Review and Approval of Small-size Projects and Programmes

40. In order to expedite the process of approving projects and reduce unnecessary bureaucracy, it is proposed that small-size projects undergo a one-step approval process by the Board. The proposed project cycle steps are as follows:

(a) The project proponent submits a fully developed project document¹³ based on a template approved by the Board (Annex 3, Appendix A for the case of projects and Appendix B for the case of programmes¹⁴). Proposals can be submitted to the Board through the Secretariat three times per year or as may be decided at any time by the Board depending on the flow of requests and the available resources. The timetable for the submission and review of proposals will be synchronized with the meetings of the Board to the extent possible.

(b) The Secretariat will screen all proposals for consistency and provide a technical review. It will then forward the proposals with the technical reviews to the Projects and Programmes Review Committee for review, based on the criteria approved by the Board (Annex 3). Screening by the Secretariat will be conducted as soon as possible, and within fifteen (15) working days.

(c) The Secretariat will send all project proposals received with technical reviews to the Project and Programmes Review Committee four weeks prior to the Adaptation Fund Board meeting. The Project and Programmes Review Committee will review the proposals and give its recommendation to the Board for a decision at the Meeting. The Committee may use services of independent adaptation experts to provide input into the review process if needed. The Board can approve or reject a proposal with a clear explanation to the implementing entities. Rejected proposals can be resubmitted after consideration of the reasons for rejection.

(d) The proposals approved by the Board will be posted on the Adaptation Fund website. The Secretariat in writing will notify the proponent of the decision of the Board.

Review and Approval of Regular Projects and Programmes

41. Regular adaptation projects are those that request funding exceeding \$1 million. It is proposed that these proposals undergo either a one-step or a two-step¹⁵ approval process.

¹² The designated authority referred to in paragraph 21 above shall endorse the proposal submission.

¹³ A fully developed project is one that has been appraised for technical and implementation feasibility and is ready for financial closure prior to implementation.

¹⁴ Appendix B, a template for programmes to be completed at a future date

¹⁵ A brief project concept is approved in the first step followed by the review and approval of a fully-developed project/document in the second-step. A two-step process, while time consuming minimizes the risk that a proponent does not invest time and energy in fully developing a project or program document that fails to meet the criteria of the Fund. Funding will only be reserved for a project after the approval of a fully-developed project document in the second step.

To reduce the time needed to get a project funded, proponents are encouraged to submit a fully-developed project document¹⁶ for a one-step approval. The proposed project cycle steps for a one-step approval are as follows:

(a) The project proponent submits a fully-developed project document based on a template approved by the Board. Proposals can be submitted to the Board through the Secretariat three times per year or in any other schedule to be decided by the Board. The timetable for the submission and review of proposals will be synchronized with the meetings of the Board as much as possible.

(b) The Secretariat will screen all proposals for consistency and provide a technical review. It will forward the proposals and the technical reviews to the Projects and Programmes Review Committee for review based on the criteria approved by the Board (Annex 3). Screening by the Secretariat will be conducted as soon as possible, and within fifteen (15) working days.

(c) The Secretariat will send all project proposals with technical reviews to the Project and Programmes Review Committee four weeks before the Adaptation Fund Board meeting. The Project and Programme Review Committee will review the proposals and give its recommendation to the Board for a decision at the Meeting. The Committee may use services of independent adaptation experts to provide input into the review process if needed. The Board can approve or reject a proposal with a clear explanation to the implementing entities. Rejected proposals can be resubmitted after consideration of the reasons for rejection.

(d) All proposals approved by the Board will be posted on the Adaptation Fund website. The Secretariat in writing will notify the proponent of the decision of the Board.

Disbursement

42. The Secretariat will draft contracts, memoranda of understanding and/or other necessary agreements with implementing entities and provide these agreements for signature by the Chair or any other Member designated to sign these documents. The Board may, at its discretion, review any of the proposed agreements. A template approved by the Board will be used to prepare such agreements.

43. The Trustee will disburse funds on the written instruction of the Board, signed by the Chair, or any other Board Member designated by the Chair, and report to the Board on the disbursement of funds.

44. The Board will ensure a separation of functions between the review and verification of disbursement requests, and the issuance of instructions to the Trustee to disburse.

45. The Board may instruct the Trustee to disburse funds for programmes in tranches based on time specific milestones, and may require a progress review from the Implementing Entity prior to each tranche disbursement.

Monitoring, Evaluation and Review

46. The Board is responsible for the strategic oversight of projects and programmes implemented with resources from the Fund. The Ethics and Finance Committee, with

¹⁶ A fully developed project is one that has been appraised for technical and implementation feasibility and is ready for financial closure prior to implementation.

support of the Secretariat, will monitor the Adaptation Fund portfolio of projects and programmes.

47. The Adaptation Fund Board will develop a results framework to support the *Strategic Priorities, Policies, and Guidelines of the Adaptation Fund*. The framework will take into consideration existing good practices and lay out an approach that: (i) incorporates measuring results with widely recognized tools; (ii) assesses risk on an ongoing basis; and (iii) incorporates learning into strategies, projects, and programmes.

48. The Board will oversee results at the fund-level. Implementing entities shall ensure that capacity exists to measure and monitor results of the Executing Entities at the country-level. The Board requires that projects and programmes under implementation submit annual status reports to the Ethics and Finance Committee. The Committee, with the support of the Secretariat, shall provide an annual report to the Board on the overall status of the portfolio and progress towards results.

49. All regular projects and programmes that complete implementation will be subject to terminal evaluation by an independent evaluator selected by the Implementing Entity. The Board reserves the right to submit small projects and programmes to terminal evaluation when deemed appropriate. Terminal evaluation reports will be submitted to the Board within a reasonable time after project termination, as stipulated in the project agreement. .

50. The Adaptation Fund Board will consider the process for developing a results framework to support projects and programmes and outline its main components with the aim of ensuring that the framework is in place before projects are approved.

51. The Adaptation Fund Board reserves the right to carry out independent reviews or evaluations of the projects and programmes as and when deemed necessary. The costs for such activities will be covered by the Adaptation Fund.

52. This project cycle will be kept under review by the Board.

Procurement

53. Procurements by the Implementing Entities or any of their attached organizations shall be performed in accordance with internationally accepted procurement principles, good procurement practices and the procurement regulations as applicable to a given Party. Implementing Entities shall observe the highest ethical standards during the procurement and execution of the concrete adaptation projects.

54. The project proposal submitted to the Board shall contain adequate and effective means to punish and prevent malpractices. The Implementing Entities should promptly inform the Board of any instances of such malpractices.

Project Suspensions and Cancellations

55. At any stage of the project cycle, either at its discretion or following an independent review-evaluation, the Ethics and Finance Committee may recommend to the Board to suspend or cancel a project for several reasons, notably:

- (a) financial irregularities in the implementation of the project; and/or
- (b) material breach and poor implementation performance leading to a conclusion that the project can no longer meet its objectives.

56. Before the Board makes its final decision whether to suspend or cancel a project or a programme, the concerned implementing entity will be given a fair chance to present its views to the Board.

57. In accordance with their respective obligations, Implementing Entities suspending or cancelling projects and programmes must notify and send detailed justification to the Board for information.

58. The Secretariat will report to the Board on an annual basis on all approved projects and programmes that were suspended or cancelled during the preceding year.

Reservations

59. The Board reserves the right to reclaim all or parts of the financial resources allocated for the implementation of a project or programme, or to cancel projects or programmes later found not to be satisfactorily accounted for. The implementing entity shall be given a fair chance to consult and present its point of view before the Board.

Dispute Settlement

60. In case of a dispute as to the interpretation, application, or implementation of the project/programme, the implementing entity shall first approach the Secretariat with a written request seeking clarification. In case the issue is not resolved to the satisfaction of the implementing entity, the case may be put before the Board at its next meeting, to which a representative of the implementing entity could also be invited.

61. Subject to development on the legal status of the Board, the Board will draw more comprehensive dispute settlement provisions.

Management Fees

62. Every project proposal submitted to the Board shall state the management fee requested by the Implementing Entity, if any. The reasonability of the fee will be reviewed on a case by case basis.

Where to send a Request for Funding

63. All requests shall be sent to:

The Adaptation Fund Board Secretariat

Tel: +1 202 473 0508

Fax: +1 202 522 3240/5

Email: secretariat@adaptation-fund.org

64. Acknowledgment of the receipt shall be sent to the proposing Implementing Entities within a week of the receipt of the request for support. All project proposals submitted will be posted on the website of the Adaptation Fund Board. The Secretariat will provide facilities that will enable interested stakeholders to publicly submit comments about proposals.

Review of the Operational Policies and Guidelines

65. The Board shall keep these operational policies and guidelines under review and will amend them as deemed necessary.

Annex I

Strategic Priorities, Policies, and Guidelines of the Adaptation Fund adopted by the CMP

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. 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.

Annex II

Fiduciary Risk Management Standards

Fiduciary risk management standards to be met by implementing entities

Competencies and Specific Capabilities

Required competency	Specific capability required	Illustrative means of verification
I Financial Management and Integrity	Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization	<ul style="list-style-type: none"> • Production of reliable financial statements prepared in accordance with internationally recognized accounting standards. • Annual external audited accounts that are consistent with recognized international auditing standards. • Production of detailed departmental accounts • Use of accounting packages that are recognised and familiar to accounting procedure in developing countries • Demonstrate capability for functionally independent internal auditing in accordance with internationally recognized standards.¹⁷
	Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;	<ul style="list-style-type: none"> • A control framework that is documented with clearly defined roles for management, internal auditors, the governing body, and other personnel. • Financial projections demonstrating financial solvency • Demonstration of proven payment / disbursement systems
	Produce forward-looking financial plans and budgets	<ul style="list-style-type: none"> • Evidence of preparation of corporate , project or departmental / ministry budgets • Demonstration of ability to spend against budgets
	Legal status to contract with the Adaptation Fund and third parties	<ul style="list-style-type: none"> • Demonstration of necessary legal personality in case it is not government department/institution. • Demonstrated legal capacity/authority and the ability to directly receive funds

¹⁷ Such as International Standards on Auditing (ISA).

Required competency	Specific capability required	Illustrative means of verification
II Requisite Institutional Capacity		
	Procurement procedures which provide for transparent practices, including competition	<ul style="list-style-type: none"> Evidence of procurement policies and procedures at national levels consistent with recognized international practice (including dispute resolution procedures)
	Capacity to undertake monitoring and evaluation	<ul style="list-style-type: none"> Demonstration of existing capacities for monitoring and independent evaluation consistent with the requirements of the Adaptation Fund. Evidence that a process or system, such as project-at-risk system, is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond accordingly to redress the problems.
	Ability to identify, develop and appraise project	<ul style="list-style-type: none"> Availability of/ Access to resources and track records of conducting appraisal activities Evidence of institutional system for balanced review of projects, particularly for quality-at-entry during design phase. Risk assessment procedures are in place.
	Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project /programme delivery and implementation	<ul style="list-style-type: none"> Understanding of and capacity to oversee the technical, financial, economic, social, environmental and legal aspects of the project and their implications Demonstrated competence to execute or oversee execution of projects / programmes of the same nature as intended project or programme
III Transparency, self - investigative powers, and anti-corruption measures	Competence to deal with financial mis-management and other forms of malpractice	<ul style="list-style-type: none"> Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice. Evidence of an objective investigation function for allegations of fraud and corruption.

Annex 1: Templates approved by the Adaptation Fund Board

Approval and Operations Procedures

1. **Adaptation Fund Project Approval Process:** There are two approval processes under the Adaptation Fund project cycle: (i) a one-step approval process; and (ii) a two-step approval process. Eligible developing country Parties to the Kyoto Protocol may submit project proposals directly to the Adaptation Fund Board Secretariat (AFBS) via its National Implementing Entities (NIEs) or via Multilateral Implementing Entities (MIEs). NIEs/MIEs have to be accredited by the Adaptation Fund Board (AFB) to be eligible as an implementing entity for the purpose of submitting projects to the Adaptation Fund. They should also meet the fiduciary standards and other qualifications provided by the Board. All small-size projects will follow the one-step approval process, while regular projects may follow either the one-step approval or the two-step approval process, depending on the stage of project preparation, and at the discretion of the project proponent. The following section outlines the steps of the approval processes.

2. **Single Approval Process:** This process may be used for small-size projects or regular projects with proposals that are already fully-prepared. Approval process includes the following steps:

(a) Eligible Parties submit a fully-prepared project document to the AFBS seven weeks before the next AFB meeting.

(b) The AFBS will screen all proposals and prepare a Technical Review for each project/programme. The AFBS will submit a collection of proposals consisting of technical reviews of all projects to the Project and Program Review Committee (PPRC) four (4) weeks prior to the next AFB meeting.

(c) The PPRC will review and prepare recommendations for the Board using a Recommendation Template. The PPRC will convene back-to-back to the Adaptation Fund Board (AFB) meeting to finalize its recommendation and submit its recommendation the next day to the AFB.

(d) AFB approves/rejects the recommendations during the meeting.

(e) All approved projects will be posted on the AF website following the conclusion of its meeting.

3. **Two-Step Approval Process:** The two-step approval process may be used for regular projects if it is so decided by the **proponent** Party: (i) project concept approval; and (ii) final project document approval. Each of these steps is subject to the same approval process as the single approval process, i.e., the project is subjected to the single approval process twice. The rationale for choosing such a process is for a country to receive feedback or guidance from the AFB upstream before a project has been fully prepared. The following two documentations are required to be submitted at each step following the same procedures as the single approval process:

(a) 1st step: Regular Project Concept.

(b) 2nd step: Regular Project Final Project Document.

4. **Documentation required in the submission:**

- (a) *Regular Project Concept*: used for the first step of the two-step approval process (only for regular projects that have not been fully developed);
- (b) *Small-sized Project Document Template*: for use when submitting small-sized projects;
- (c) *Regular Project Document Template*: for use when submitting regular projects (for regular projects that have been fully developed);
- (d) *Full Project Document* prepared by NIEs/MIEs for both small-sized and regular projects;
- (e) Endorsement Template endorsed by the country's designated authority for the Adaptation Fund.¹

5. **Categories of projects under the Adaptation Fund:**

- (a) Small-Sized projects (SPs): defined as project proposals requesting up to \$1.0 million.
- (b) Regular-Sized projects (RPs): project proposals requesting more than \$1.0 million
- (c) Programme: a series of projects which could include small-size projects or regular projects aimed at achieving an outcome that is otherwise not achievable by a single project. Projects under a programme would have synergies in their objectives and implementations.

6. **Definitions of Terms:**

- (a) Projects: A concrete adaptation project is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change.
- (b) Programme: An adaptation program is a process, a plan or an approach for addressing climate change impacts which are broader than the scope of an individual project. The Board will provide further guidance on the adaptation programmes, its aims and objectives in the future on the basis of lessons learned.

7. **Financing and Disbursement:**

- (a) Financing: funding for projects and programs will be on a full adaptation cost basis to address the adverse effects of climate change.²
- (b) Disbursement: The Trustee will disburse funds on the written instruction of the Board, signed by the Chair and the Vice-Chair, or any other Board Member designated by the Chair and the Vice-Chair, and report to the Board on the disbursement of funds.

Adaptation Fund Project Review Criteria

1. The following review criteria for Adaptation Fund projects are applicable to both the small-size projects and regular projects under the single-approval process. For regular projects using the two-step approval process, only the first four criteria will be applied

¹ The designated authority referred to in paragraph 21 of the operational guidelines.

² Para. 14 of the "Provisional Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund," and para. 12 of the "Strategic Priorities, Policies, and Guidelines of the Adaptation Fund."

when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

Review Criteria	
1. Country Eligibility	<ul style="list-style-type: none"> • Is the country party to the Kyoto Protocol? • Is the country a developing country particularly vulnerable to the adverse effects of climate change?³
2. Project Eligibility	<ul style="list-style-type: none"> • Has the government endorsed the project?⁴ • Does the project support concrete adaptation actions to assist the country in addressing the adverse effects of climate change? • Does the project provide economic, social and environmental benefits, with particular reference to the most vulnerable communities? • Is the project cost-effective? • Is the project consistent with national sustainable development strategies, national development plans, poverty reduction strategies, national communications or adaptation programs of action, or other relevant instruments? • Does the project meet the relevant national technical standards, where applicable? • Is there duplication of project with other funding sources? • Does the project have a learning and knowledge management component to capture and feedback lessons? • Has the project provided justification for the funding requested on the basis of the full cost of adaptation?
3. Resource Availability	<ul style="list-style-type: none"> • Is the requested project funding within the cap of the country?
4. Eligibility of NIE/MIE	<ul style="list-style-type: none"> • Is the project submitted through an eligible NIE/MIE that has been accredited by the Board?
5. Implementation Arrangement	<ul style="list-style-type: none"> • Is there adequate arrangement for project management? • Are there measures for financial and project risk management? • Are arrangements for monitoring and evaluation clearly • Is a project result framework included?

³ Further reference to the eligibility of country can be found in the document: “Strategic Priorities, Policies, and Guidelines of the Adaptation Fund”

⁴ Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

Attached with this note are the following:

Appendix A: Request for Project Funding from Adaptation Fund

Appendix B: Government Endorsement Letter Template (submitted through NIEs/MIEs)

Appendix C: Adaptation Fund Secretariat Technical Review for Adaptation Fund Projects

Appendix D: PPRC Recommendation for Project Approval



ADAPTATION FUND

REQUEST FOR PROJECT FUNDING FROM THE ADAPTATION FUND

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to

The Adaptation Fund Board Secretariat

Room G-6

1818 H Street NW

Washington, DC. 20433

U.S.A

Fax: (202) 522-3240/5

Email: secretariat@adaptation-fund.org




ADAPTATION FUND


DATE OF RECEIPT:
ADAPTATION FUND PROJECT ID:
(For Adaptation Fund Board Secretariat
Use Only)


PROJECT PROPOSAL

PART I: PROJECT INFORMATION


PROJECT CATEGORY:
COUNTRY/IES:
TITLE OF PROJECT:
TYPE OF IMPLEMENTING ENTITY:
IMPLEMENTING ENTITY:
EXECUTING ENTITY/IES:
AMOUNT OF FINANCING REQUESTED: (In U.S Dollars Equivalent)

-  **PROJECT BACKGROUND AND CONTEXT:**
Provide brief information on the problem the proposed project is aiming to solve. Outline the economic and social development context in which the project would operate.

-  **PROJECT OBJECTIVES:**
List the main objectives of the project.

-  **PROJECT COMPONENTS AND FINANCING:**
Fill in the table presenting the relationships among project components, activities, expected concrete outputs, and the corresponding budgets. If necessary, please refer to the attached instructions for a detailed description of each term.

PROJECT COMPONENTS	ACTIVITIES	EXPECTED CONCRETE OUTPUTS	AMOUNT (US\$)
1.			
2.			
3.			
4.			
5.			
6. Project Execution cost			
7. Total Project Cost			
8. Project Cycle Management Fee charged by the Implementing Entity (if applicable)			
Amount of Financing Requested			

-  **PROJECTED CALENDAR:**
Indicate the dates of the following milestones for the proposed project

MILESTONES	EXPECTED DATES
Start of Project Implementation	
Mid-term Review (if planned)	
Project Closing	
Terminal Evaluation	

 **PART II: Project justification**

Describe the project components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience.

Describe how the project provides economic, social and environmental benefits, with particular reference to the most vulnerable communities.

Describe or provide an analysis of how the proposed project is cost-effective?

Describe how the project is consistent with national sustainable development strategies, including, where appropriate, national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

Describe how the project meets relevant national technical standards, where applicable.

Describe if there is duplication of project with other funding sources, if any.

If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation.

Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

PART III: Implementation arrangements

Describe the arrangements for project implementation.

Describe the measures for financial and project risk management.

Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

Include a project results framework for the project proposal.

Part IV: endorsement by government and certification by the Implementing Entity

A. RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT¹ *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project:*

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
---	---------------------------------

B. IMPLEMENTING ENTITY CERTIFICATION *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, understands that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project.	
<i>Name & Signature</i> Implementing Entity Coordinator	
<i>Date: (Month, Day, Year)</i>	<i>Tel. and email:</i>
<i>Project Contact Person:</i>	
<i>Tel. And Email:</i>	

¹ Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

INSTRUCTIONS FOR PREPARING A REQUEST FOR PROJECT FUNDING FROM THE ADAPTATION FUND

DATE OF RECEIPT. Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will fill in the date on which the proposal is received at the Secretariat.

ADAPTATION FUND PROJECT ID. Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will assign a number to your project internally.

Part I: Project Information

PROJECT CATEGORY: Please specify which type of project you are proposing. The two options are:

- (A) **SMALL-SIZED PROJECT.** Proposals requesting grants up to \$1 million.
- (B) **REGULAR PROJECT.** Proposals requesting grants of more than \$1 million.

COUNTRY/IES: Please insert the name of the country requesting the grant. Please note that regional projects should mention all the participating countries.

TITLE OF PROJECT: Please enter the title of the proposed project.

TYPE OF REQUESTING ENTITY: Please specify which type of Implementing Entity the project will be managed by. The two options are:

- (a) National Implementing Entity
- (b) Multilateral Implementing Entity

NAME OF IMPLEMENTING ENTITY: Please specify the name of the Implementing Entity

EXECUTING ENTITY(IES). Please specify the name of the organisation(s) that will execute(s) the project funded by the Adaptation Fund under the oversight of the Implementing Entity.

AMOUNT OF FINANCING REQUESTED. Please fill the grant amount (in US Dollars equivalent) requested from the Adaptation Fund for this proposal.

PROJECT BACKGROUND AND CONTEXT. *Provide brief information on the problem the proposed project is aiming to solve. Outline the economic and social development context in which the project would operate.*

PROJECT OBJECTIVES. *List the main objectives of the project.*

PROJECT COMPONENTS AND FINANCING. Please fill out the table presenting the relationships among project components, activities, expected concrete outputs, and their corresponding budgets to accomplish them. The aforementioned terms are defined below to facilitate the process of completing the table:

PROJECT COMPONENTS. The division of the project into its major parts; an aggregation of set of activities

ACTIVITIES. Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.

EXPECTED CONCRETE OUTPUTS. The product, capital goods and services which result from a development intervention relevant to the achievement of outcomes.

AMOUNT (\$). Indicate grant amounts in US dollars by project components.

PROJECT EXECUTION COST. The main items supported by the Adaptation Fund for project management including consultant services, travel and office facilities, etc.

TOTAL PROJECT COST. This is the sum of all project components requesting Adaptation Fund Board approval.

IMPLEMENTING ENTITY PROJECT CYCLE MANAGEMENT FEE. This is the fee that is requested by an Implementing Entity for project cycle management services.

AMOUNT OF FINANCING REQUESTED. This amount includes the total project cost plus the project cycle management fee.

PROJECTED CALENDAR. Please indicate the dates of the following milestones for the proposed project.

START OF PROJECT IMPLEMENTATION The date on which project becomes effective and disbursement can be requested. This is also the trigger date for the Adaptation Fund Trustee to allow the Implementing Entities to request for disbursement

MID-TERM REVIEW. The date on which the Implementing Entity completes its mid-term review of the project.

PROJECT CLOSING. Project closing is set as six months after Project Completion. This is the date on which Implementing Entity completes disbursement from the grant and may cancel any undisbursed balance in the grant account.

TERMINAL EVALUATION. The date on which the Implementing Entity completes the terminal evaluation report, normally two months after project completion but in any case, no later than twelve months after project completion.

Part II: Project Justification

1. Describe the project components, including details of activities in each component, regarding how the components will meet project objectives. Describe how the activities will help with adaptation to climate change and improve climate resilience.
2. Describe how the outputs and outcomes of the project will provide economic, social and environmental benefits, particularly to the most vulnerable communities in the project area.
3. How is the project cost-effective. Compare to other possible interventions that could have been taken to achieve similar project objectives.
4. Describe how the project is located in the framework of national development strategies, plans, action plans, etc.
5. Describe how the project design meets national technical standards.
6. Describe if the project overlaps or duplicates similar activities from other funding sources.
7. Describe the activities included in the project to gather lessons learned from project design and implementation and for their dissemination.

8. Describe the consultative process undertaken during project design. List the stakeholders consulted and the methods of consultation.
9. Provided the full cost of adaptation reasoning for the funding requested for the project.

Part III: Implementation Arrangements.

Describe the various elements of project implementation as enumerated below:

- (a) Adequacy of project management arrangements.
- (b) Measures for financial and project risk management.
- (c) Monitoring and evaluation arrangements including budgeted M&E plan.
- (d) Results framework for the project.

Part IV: Endorsement by the Designated Government Authority for Adaptation Fund and Certification by the Implementing Entity

1. **RECORD OF ENDORSEMENT BY DESIGNATED GOVERNMENT AUTHORITY.** Provide the name, position, and government office of the designated government authority and indicate date of endorsement. If this is a regional project, list the designated government authorities of all participating countries endorsing the project. The endorsement letter(s) should be attached as an annex to the project proposal.
2. **IMPLEMENTING ENTITY CERTIFICATION.** Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project contact person's name, telephone number and email address.



ADAPTATION FUND

Appendix B

Letter of Endorsement by Government

[Government Letter Head]

[Date of Endorsement Letter]

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for [Title of Project]

In my capacity as focal point for the Adaptation Fund in [country], I confirm that the above [\(select national or regional\)](#) project proposal is in accordance with the government's [\(select national or regional\)](#) priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the [\(select country or region\)](#).

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the proposal will be coordinated and implemented by [national or local executing entity].

Sincerely,

[Name of Designated Government Official]

[Position/Title in Government]



ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT PROPOSAL

PROJECT CATEGORY: [\(select\)](#)

Country/Region:

Project Title:

AF Project ID:

NEI/MEI Project ID:

Regular Project Concept Approval Date (if applicable):

AFB Secretariat Screening Manager:

Requested Financing from Adaptation Fund (US Dollars):

Anticipated Submission of final RP document (if applicable):

NIE/MIE Contact Person:

Review Criteria	Questions	Comments
Country Eligibility	1. Is the country party to the Kyoto Protocol?	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project?	
	2. Does the project exhibit adaptive capacity to the adverse effects of climate change and build in climate resilience?	
	3. Does the project provide economic, social and environmental benefits, particularly to vulnerable communities?	
	4. Is the project cost effective?	
	5. Is the project consistent with national sustainable development strategies, national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	

	6. Does the project meet the relevant national technical standards, where applicable?	
	7. Is there duplication of project with other funding sources?	
	8. Does the project have a learning and knowledge management component to capture and feedback lessons?	
	9. Is the requested financing justified on the basis of full cost of adaptation reasoning?	
Resource Availability	1. Is the requested project funding within the cap of the country?	
Eligibility of NIE/MIE	2. Is the project submitted through an eligible NIE/MIE that has been accredited by the Board?	
Implementation Arrangement	1. Is there adequate arrangement for project management?	
	2. Are there measures for financial and project risk management?	
	3. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans?	
	4. Is a results framework included?	
Technical Summary		
Date:		



Project and Program Review Committee
Recommendation for Projects Submitted for the
[DATE] AFB Meeting

Project Title	AF Grant Amount (\$)	Implementing Entity project cycle management fee	Total AF Resources Used (\$)	Recommendation		Justification
				Yes	No	
1.						
2.						
Subtotal						
Total AF Resources Approved						

Annex III

[ENGLISH ONLY]

Terms of Reference of Board Committees and General Guidelines for Board Committees

Ethics and Finance Committee

Terms of Reference

1. The Ethics and Finance Committee (EFC) shall be responsible for providing advice to the Board on issues of conflict of interest, ethics, finance and audit.
2. In this regard, the EFC shall:
 - (a) Develop, for approval by the Board, a draft Code of Conduct for the implementation of section VII of the Rules of Procedure in order to protect Board members and alternates and the staff of the secretariat from conflict of interest in their participation, identifying cases of conflict of interest and the related procedures;
 - (b) Oversee the implementation of the Code of Conduct and address differences in its interpretation as well as consequences of breach of the Code of Conduct;
 - (c) Review and provide advice on the budget for the operating expenses of the Board, secretariat and trustee;
 - (d) Advise the Board on overall resource mobilization policy and approach, including recommendations from the trustee with respect to monetization of CERs and receipt of contributions from other sources;
 - (e) Review the financial statements of the Fund;
 - (f) Review the performance of the Fund and NIEs and MIEs making use of both internal and external evaluations and reports from NIEs, MIEs and other sources as appropriate;
 - (g) Address issues concerning monitoring and evaluation of projects and programmes; including *inter alia*, annual status reports, Annual Monitoring Reports and other matters in accordance with paragraphs 42 to 45 of the Operational Policies and Guidelines;
 - (h) Oversee the activities of the Secretariat involving recruitment and procurement of services and other activities related to the area of responsibility of the Committee ;
 - (i) Oversee the activities of the trustee in areas relevant to the responsibility of the Committee;

- (j) Consider any other matter the Board deems appropriate.
- 3. The EFC, in consultation with the Board Chair, may require assistance and/or advice from experts in the performance of its functions;
- 4. When the matter under discussion so requires, the trustee will attend the meetings of the EFC.

Project and Programme Review Committee

Terms of Reference

1. The Project and Programme Review Committee (PPRC) shall be responsible for assisting the Board in tasks related to project/programme review in accordance with the *Provisional Operational Policies and Guidelines for Parties to access resources of the Adaptation Fund* (the Operational Policies and Guidelines), and for providing recommendations and advice to the Board thereon.
2. In this regard, the PPRC shall:
 - (a) Consider and review projects and programmes submitted to the Board by eligible Parties in accordance with the Operational Policies and Guidelines;
 - (b) Address issues arising from projects and programmes submitted to the Board, including outstanding policy issues;
 - (c) Review the project and programme reports submitted by National Implementing Entities (NIEs) and Multilateral Implementing Entities (MIEs) in accordance with paragraph 46 of the Operational Policies and Guidelines, with the support of the Secretariat; Report and make recommendations to the Board on project and programme approval, cancellation, termination, suspension and on any other matter under its consideration; and
 - (d) Consider any other matter the Board deems appropriate.
3. Representatives from NIEs and MIEs may be invited by the Chair of the PPRC to attend the meetings in order to explain details of the projects and programmes before the PPRC and provide information to assist in the deliberations.
4. The PPRC, in consultation with the Board Chair, may require assistance and/or advice from experts in the performance of its functions;

General Guidelines for Committees

I. Membership

1. The Committees shall consist of Board members and alternates.

2. The members of the Committees shall serve for a term of 1 year and shall be eligible to serve a maximum of two consecutive terms. Rotation of members will be made so as to ensure continuity.
3. If a member is not able to carry out her or his functions, or ceases to be a member, a new member shall be appointed by the Board for the remainder of the term.

II. Chairmanship

4. The Chair and Vice-Chair of the Board, in consultation with the Board, will nominate a Chair and a Vice-Chair for each Committee.
5. The Board shall elect the Chair and Vice-Chair of each Committee, with one being a member from an Annex I Party and the other being from a non-Annex I Party. The position 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.
6. If the Chair or Vice-Chair is not able to carry out her or his functions, or ceases to be a member, a new Chair or Vice-Chair shall be appointed by the Board for the remainder of the term.

III. Accountability

7. The decisions and work plan of the Board shall clearly state the scope of the issues to be addressed by each Committee and determine which Committee bears primary responsibility on each matter.
8. The Committees shall forward any issues related to their mandate to the Board for discussion and decision-making.

IV. Operating procedures

9. The Committees shall be bound by their terms of reference as adopted by the Board, and these General Guidelines. The Board will revise the terms of reference and these General Guidelines as necessary, following the recommendations by the Committees.
10. The *Rules of Procedure of the Adaptation Fund Board* (the Rules of Procedure) shall apply *mutatis mutandi to the meetings of the Committees*.
11. The Committees shall convene their meetings as decided by the Board, and shall meet simultaneously and back to back to the Board meetings.
12. The Committee meetings will be closed, unless otherwise decided by the Board.
13. The working language of the Committees shall be English.

14. The Secretariat will establish a secure link for each Committee on the Fund website to facilitate the above consultations and to provide Board members with access to the working documents of the Committees.

15. The Chairs of the Committees shall endeavour to reach consensus regarding proposed recommendations to the Board. In circumstances where a Committee cannot reach consensus, it shall forward the different views of the members to the Board.

16. The recommendations of the Committees shall be made publicly available, unless otherwise decided by the Board.

17. The Committees shall report annually to the Board on their performance, including meeting attendance and effectiveness.

V. Experts

18. The Committees, in consultation with the Board Chair, may require assistance and/or advice from experts in the performance of their functions;

19. The Board shall approve terms of reference for the experts, including a mechanism for reporting to the Committee and the criteria for selection.

20. The secretariat will issue a call for experts at international level and will prepare a roster of experts with demonstrated and recognized capacity in their field of work, taking into account the terms of reference for experts as approved by the Board. Consideration will be given to a balanced regional representation. The Committee Chair and Vice-Chair will choose experts from the roster mentioned above.

21. The experts will be subject to the Code of Conduct as approved by the Board and related decisions and policies;

22. The experts who are providing advice to the Committee on a particular issue will be allowed to attend the discussion of the relevant agenda item at Board meetings, unless otherwise decided by the relevant Committee.

VI. Role of the secretariat

23. The secretariat shall coordinate and support the work of the Committees;

24. The Secretariat shall appoint one qualified officer as the secretariat focal point for each Committee.

25. The secretariat's Committee focal point will provide secretarial assistance and support to the work of the Committee, attend its meetings, and assist the Chair and the Vice-Chair in order to prepare, facilitate and coordinate its work and meetings. The focal points will be subject to the guidance of the Chairs and Vice-Chairs, and will be responsive to the tasks assigned to them by the Committee.

Annex IV

[ENGLISH ONLY]

Terms of Reference for the Establishment of the Adaptation Fund Board Accreditation Panel

Background and Context

The Adaptation Fund has been established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol.

The Adaptation Fund is considered an innovative mechanism for three particular reasons:

- (a) It is funded by an international levy from the Clean Development Mechanism of the Kyoto Protocol.
- (b) It is governed by a body—the Adaptation Fund Board (the Board)—which has majority representation from developing countries.
- (c) It provides eligible developing countries an opportunity to directly access its funds.

In order to provide direct access to its funds, the Adaptation Fund requires national legal entities nominated by eligible countries to meet the fiduciary standards adopted by the Board and to be accredited as National Implementing Entities (NIE). Therefore, the Board has decided to establish an Accreditation Panel that will review applications for accreditation and make recommendations to the Board.

The Board is therefore seeking external experts to serve on its Accreditation Panel (the Panel).

Mandate of the Panel

In accordance with the *Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund* (hereafter “the operational policies and guidelines”), the Panel shall make recommendations to the Board regarding:

- (a) The accreditation of an implementing entity;
- (b) The conditional accreditation of an implementing entity;
- (c) The suspension of accreditation of an implementing entity;
- (d) The cancellation of accreditation of an implementing entity; and
- (e) The re-accreditation of an implementing entity.

The tasks identified in the paragraph above imply that, *inter alia*, the following activities are to be carried out by the Panel:

- (a) Review and consideration of applications for accreditation of implementing entities, based on *i.a.* information provided in the Application Form.

In case an application is not immediately approved the following considerations may be taken:

- (a) Determination of whether technical support needs to be provided to an applicant implementing entity to improve its capacities in order to attain accreditation, and the extent of the required support;
- (b) Determination of the existence of exceptional circumstances that would justify the use of an external assessor to help resolve difficult/contentious issues;
- (c) Determination of the need to require additional information or resubmission of an application from an applicant implementing entity;
- (d) Determination of whether an on-site visit and/or observation of the designated implementing entity is required;
- (e) Make recommendations to the Board on the issues above, as applicable.

Membership

The Panel shall be composed of five (5) members selected by the Board. The five Panel members will be comprised of two (2) Board members or alternates and (3) three external experts with demonstrated and recognized capacity in their field of work.

The two members of the Panel who are Board members will be designated by the Board as Chair and Vice-chair of the Panel.

The Secretariat shall invite and compile a list of experts for consideration by the Board. The Board shall select the expert members of the panel from this list, taking fully into account considerations of regional balance and competence/expertise. In addition, the Board may draw on the advice, as necessary, of experts identified by the International Accreditation Forum (IAF).

Panel members shall be designated to serve on the panel for two (2) calendar years.

Panel members who are also Board members shall be eligible to serve two consecutive terms. However, in order to ensure continuity in the work of the Panel after its inaugural period, only one of these two members shall be replaced after his or her first term.

Panel members who are external experts may be reelected for two consecutive terms, as the Board deems appropriate, taking into account the performance of the expert.

The Board shall oversee the performance of the panel and its members, as necessary.

Competence requirements

The panel members who are external experts shall have:

- (a) Demonstrated relevant work experience in accounting, auditing, public finance or project management of at least 5 years in a national, regional or international capacity. Experience with any national or international accreditation body would be an advantage;
- (b) An understanding of government and nongovernmental financial reporting systems. Knowledge of forensic accounting and internal control mechanisms would be desirable;
- (c) Ability to communicate fluently, both in writing and orally, in English. Working knowledge of other UN languages would be desirable;

(d) Excellent drafting skills, strong operational and analytical skills, and an ability to work as a member of a team; and

(e) A university degree in economics, accounting, or any related discipline.

The Board shall require members of the Panel to commit in writing to comply with the rules defined by the Board, in particular with regard to confidentiality and to independence from commercial and other conflict of interests, including any existing or prior association with an implementing entity to be assessed.

Modalities of work

The Panel shall operate under the guidance and authority of the Board and shall be bound by these terms of reference, as well as by the operational policies and guidelines and the code of conduct, as adopted by the Board. The *General Guidelines for Board Committees*¹ shall apply *mutatis mutandi* to the Panel.

The mandate of the Panel may be revised or terminated by the Board if necessary.

Panel meetings can be held with panel members being either physically or electronically present. The dates and modalities of panel meetings shall be determined by the Chair and Vice-chair of the Panel, bearing in mind resources available and the need for accreditation review.

Compensation

Travel costs and daily subsistence allowance shall be paid to those panel members who are Board members and attending a meeting of the panel or undertaking any official site visit as approved by the Board, in accordance with UN rules.

Members of the Panel who are external experts shall be paid fees for their services and travel expenses.

Revision of the TORs

The Board will revise these terms of reference as necessary.

¹ Report of the Sixth meeting of the Adaptation Fund Board, annex VI.

Annex V

[ENGLISH ONLY]

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

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

2. As of 29 July 2009, the governments of Australia, Denmark, Finland, France, Japan, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and UNEP have paid in contributions in the total amount of USD 3,186,875 to cover the administrative costs and expenses of the AF Board and the AF Secretariat in an interim phase. This amount includes a USD 700,000 temporary loan which was provided by the LDCF trust fund and has since been repaid as well as administrative fees charged for set-up and maintenance of the accounts. Among those donors, Australia, the United Kingdom and UNEP have requested to be reimbursed for their contributions. Details of the status of the contributions are provided in the table below.

Table: Status of Contributions at 29 July 2009

Donor	Currency	Amount	US Equivalent*	Reimbursement
<i>Fully paid</i>				
Australia	AUD	200,000	191,340	Yes
Denmark	DKK	3,000,000	544,030	No
Finland	EUR	100,000	155,340	No
France	EUR	95,000	122,693	No
Japan	USD	13,094	13,093	No
LDCF - loan	USD	700,000	700,000	Yes
LDCF - repayment	USD	(700,000)	(700,000)	No
Netherlands	EUR	100,000	139,300	No
Norway	NOK	1,000,000	201,726	No
Sweden	SEK	2,100,000	251,154	No
Switzerland	CHF	200,000	178,651	No
United Kingdom	GBP	500,000	990,300	Yes
UNEP	USD	500,000	500,000	Yes
Administrative fees	USD	(100,752)	(100,752)	
Net total fully paid			3,186,875	

*Represents actual United States dollars purchased after payment by donor.