



Framework Convention on Climate Change

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**Conference of the Parties serving as the meeting
of the Parties to the Kyoto Protocol**
Sixth session
Cancun, 29 November to 10 December 2010

Agenda item 9 (b)

Adaptation Fund

Review of the Adaptation Fund

Draft decision -/CMP.6

Review of the Adaptation Fund

Proposal by the President

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

Recalling decisions 5/CMP.2, 1/CMP.3, 1/CMP.4 and 5/CMP.5,

Taking note of the conclusions of the Subsidiary Body for Implementation at its thirty-second session¹ on the review of the Adaptation Fund,

Also taking note of the views contained in submissions from Parties,²

1. *Decides* to undertake the review of the Adaptation Fund at its seventh session and every three years thereafter;
2. *Also decides* that the review will be undertaken in accordance with the terms of reference contained in the annex to this decision;
3. *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 seventh session the performance reviews of the interim secretariat and the interim trustee servicing the Adaptation Fund, in accordance with paragraph 33 of decision 1/CMP.3;
4. *Invites* Parties and interested international organizations and stakeholders to submit to the secretariat, by 19 September 2011, their views on the review of the Adaptation Fund based on the terms of reference annexed to this decision;

¹ FCCC/SBI/2010/10, paragraphs 114–118.

² FCCC/SBI/2010/MISC.2.

5. *Requests* the secretariat to compile into a miscellaneous document the views submitted by Parties and interested international organizations and stakeholders, for the consideration of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventh session.

Annex

Terms of reference for the initial review of the Adaptation Fund

I. Introduction

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

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

II. Objective

3. The objective of this initial review is to ensure the effectiveness and adequacy of the Adaptation Fund and its interim institutional arrangements, with a view to the CMP adopting an appropriate decision on this matter at its seventh session.

III. Scope

4. The scope of the initial review of the Adaptation Fund is a review of all matters related to the Adaptation Fund, including institutional arrangements, taking stock of the progress made to date and lessons learned in the operationalization and implementation of the Fund. Given that the Adaptation Fund has only recently become fully operational, this initial review shall focus on, inter alia:

(a) The interim institutional arrangements of the GEF acting as interim secretariat of the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for the Adaptation Fund and all matters related to the Adaptation Fund Board;

(b) Performance reviews of the GEF acting as interim secretariat of the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for the Adaptation Fund;

¹ Decision 1/CMP.3, paragraphs 32–34.

² Decision 5/CMP.5.

(c) A comparative assessment of the administrative costs of the services of the GEF as interim secretariat of the Adaptation Fund Board and the World Bank acting as an interim trustee for the Adaptation Fund and the Adaptation Fund Board.

IV. Methodology

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

(a) Submissions from Parties, interested intergovernmental organizations and stakeholders on, inter alia, the interim institutional arrangements of the GEF acting as interim secretariat of the Adaptation Fund Board, as well as the interim institutional arrangements of the World Bank acting as the interim trustee for the Adaptation Fund and the working arrangements of the Board, informed by the annual reports of the Adaptation Fund Board to the CMP;

(b) Independent performance reviews of the interim secretariat and the interim trustee servicing the Adaptation Fund, to be undertaken by the Adaptation Fund Board or by an independent entity appointed for such purposes by the Adaptation Fund Board;

(c) A comparative analysis of administrative costs of the services of the GEF as interim secretariat of the Adaptation Fund Board, the World Bank acting as an interim trustee for the Adaptation Fund and the Adaptation Fund Board;

(d) Annual reports of the Adaptation Fund Board to the CMP.
