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Agenda item 7(b)

Adaptation Fund

Second review of the Adaptation Fund

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Proposal by the President

Draft decision -/CMP.9

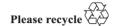
Second review of the Adaptation Fund

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

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

Also recalling decision 4/CMP.8, paragraph 10, requesting the Subsidiary Body for Implementation to initiate the second review of the Adaptation Fund in accordance with the terms of reference contained in the annex to decision 6/CMP.6, or as these guidelines may be subsequently amended,

- 1. *Decides* that the review will be undertaken in accordance with the terms of reference contained in the annex to this decision;
- 2. Requests the Adaptation Fund Board to make available in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session (December 2014) information on the financial status of the Adaptation Fund, with a view to finalizing the second review of the Adaptation Fund at the same session;
- 3. *Invites* Parties and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and implementing entities accredited by the Adaptation Fund Board to submit to the secretariat, by 26 March 2014, their views on the review of the Adaptation Fund based on the terms of reference contained in the annex to this decision;



- 4. *Requests* the secretariat to make available on the UNFCCC website the views referred to in paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its fortieth session (June 2014);
- 5. Also requests the Subsidiary Body for Implementation to consider the second review of the Adaptation Fund at its fortieth session, with a view to recommending a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth session;
- 6. Further requests the secretariat, subject to the availability of financial resources, in collaboration with the Adaptation Fund Board secretariat, to prepare a technical paper based on the terms of reference contained in the annex to this decision, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fortieth session, for consideration by the Subsidiary Body for Implementation at its forty-first session (December 2014).

Annex

Terms of reference for the second review of the Adaptation Fund

I. Objective

1. The objective of the second review is to ensure the effectiveness, sustainability and adequacy of the operation of the Fund, with a view to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) adopting an appropriate decision on this matter at CMP 10.

II. Scope

- 2. The scope of the second review of the Adaptation Fund will cover the progress made to date and lessons learned in the operationalization and implementation of the Fund, and will focus on, inter alia:
- (a) The provision of sustainable, predictable and adequate financial resources, including the potential diversification of revenue streams, to fund concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of eligible Parties;
- (b) Lessons learned from the application of the access modalities of the Adaptation Fund;
- (c) The institutional linkages and relations, as appropriate, between the Adaptation Fund and other institutions, in particular institutions under the Convention;
- (d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

III. Sources of information

- 3. The review shall draw upon, inter alia, the following sources of information:
- (a) Submissions from Parties to the Kyoto Protocol, observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund, and implementing entities accredited by the Adaptation Fund Board on their experiences regarding the Adaptation Fund;
- (b) The annual report of the Global Environment Facility (GEF) to the Conference of the Parties (COP) on its activities as an operating entity of the financial mechanism of the Convention, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy, information and evaluation documents;
- (c) The annual report of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the financial mechanism of the Convention and other relevant GCF policy and information documents;
- (d) The report of the Adaptation Fund Board to the CMP and the outcomes of the initial review of the Adaptation Fund;

- (e) The outcomes and reports from the United Nations processes, relevant bilateral and multilateral funding institutions and other intergovernmental and non-governmental organizations dealing with climate change financing;
 - (f) The reports on the forum of the Standing Committee on Finance;
- (g) The technical paper prepared by the secretariat upon the request of the CMP on steps and time frames to conduct an open and competitive bidding process for selecting host institutions for entities under the Convention;¹
 - (h) The reports of the work programme on long-term finance;
- (i) The reports of the Least Developed Countries Expert Group and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

¹ FCCC/TP/2013/1.