

**AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BETWEEN THE  
CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO  
THE KYOTO PROTOCOL AND THE COUNCIL OF THE GLOBAL ENVIRONMENT  
FACILITY REGARDING SECRETARIAT SERVICES  
TO THE ADAPTATION FUND BOARD**

**I. Preamble**

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (hereinafter the CMP) having decided (decision 5/CMP.2) to establish the Adaptation Fund of the Kyoto Protocol (hereinafter the Fund) and having further decided (decision 1/CMP.3) that the operating entity of the Fund shall be the Adaptation Fund Board (hereinafter the Board) established to supervise and manage the Fund, and that the Board should develop and approve draft legal and administrative arrangements for secretariat services and the trustee for approval by the CMP (decision 1/CMP.3, paragraph 5 (j)), and having invited the Global Environment Facility (hereinafter the GEF) to provide secretariat services to the Board, on an interim basis,

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) having decided that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to the decision on this matter made by the CMP (decision 13/CMA.1),

The CMP having decided that the Adaptation Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available (decision 1/CMP.14),

Recognizing the willingness of the GEF to provide secretariat services to the Board (hereinafter the secretariat) on an interim basis,

Having consulted with each other and taking into account the relevant aspects of their governance structures, as reflected in their constituent instruments, The CMP and the Council of the GEF (hereinafter the Council) have reached the following understanding in accordance with the recommendation of the Board:

**II. Purpose**

1. The purpose of the present Memorandum of Understanding (hereinafter the MOU) is to make provisions for the relationship between the CMP and the Council and to fulfil Article 12 of the Kyoto Protocol and decisions 1/CMP.3, 1/CMP.14, and 13/CMA.1 in connection with the provision of secretariat services as the secretariat.

**III. Secretariat services**

2. The secretariat shall, under the guidance and instructions of the Board, provide the following services to the Board to support and facilitate the work of the Board:

- (a) As a dedicated team of officials, provide secretariat services to the Board in a functionally independent and effective manner;
- (b) Manage the daily operations of the Fund and report to the Board;
- (c) Assist the Board in developing strategies, policies and guidelines for the Fund;
- (d) Ensure timely implementation of the decisions of the Board;
- (e) With respect to the day to day functioning of the Fund, act as liaison between the Board and Parties and implementing and executing entities;
- (f) Make arrangements for the meetings of the Board, including issuance of invitations and preparation of documents and reports of meetings, and provide a secretary of the Board meeting;
- (g) Develop the work programme and annual administrative budget of the Fund and submit them for approval by the Board

- (h) Ensure the implementation of the operational policies and guidelines of the Fund developed by the Board through, inter alia, the development of a project cycle based on criteria to be adopted by the Board;
  - (i) Operationalize the project cycle by:
    - (i) Undertaking initial review and screening of project proposals to assess conformity with guidelines approved by the Board;
    - (ii) Presenting project proposals for Board approval;
    - (iii) Monitoring implementation of progress;
    - (iv) Periodically reporting to the Board on portfolio performance;
  - (j) Coordinate the formulation and monitor the implementation of projects, ensuring liaison with other bodies as required;
  - (k) Liaise, as appropriate, with the secretariats of other relevant international bodies;
  - (l) Provide the trustee with all relevant information to enable it to carry out its responsibilities, consistent with decisions of the CMP and the CMA and the decisions of the Board;
  - (m) Provide services to ensure and facilitate proper communication with Parties;
  - (n) Perform any other functions assigned to it by the Board.
3. The head of the secretariat responsible for rendering the services shall be accountable to the Board.

#### **IV. Amendments**

4. Any amendments to the present MOU will be mutually agreed upon by the CMP and the Council. The Board may recommend to the CMP any amendments to the MOU.

#### **V. Interpretation**

5. If differences arise in the interpretation of the present MOU, the Council and the CMP or the Board, as appropriate, will consult each other and reach a mutually agreed solution.

#### **VI. Entry into effect**

6. The present MOU will come into effect upon adoption by the CMP and the Council. Either party may withdraw from this MOU at any time by notification addressed to the other party. The withdrawal will take effect six months after the notification.

#### **VII. Review**

7. The present MOU will be reviewed in accordance with decisions of the CMP and the CMA. Following that review, this MOU may be modified to reflect any decisions mutually agreed by the CMP and by the Council.

need of further guidance from CMP. Therefore, **this is in no way to prejudge any future discussions or decisions on relevant matters.**

## II. Provisions that are closely linked with anticipated CMP decisions

2. CMP decision to be made at CMP15 **on the eligibility for Board membership**, in December 2019 and other future CMP decisions **may** affect the following sections of the RoP (not as an exhaustive list) and it may be prudent to determine the revision of the sections after the relevant SBI consideration and CMP decisions are made:

- Section II [**Definitions**], paragraph 2:

2. *For the purpose of these rules;*

[...]

(c) *“Member” means a representative elected by the CMP as a member of the Adaptation Fund Board, accorded the right to vote;*

(d) *“Alternate” means a representative elected by the CMP as an alternate for Each member*

[...]

- Section III [**Board**], paragraphs 3-9;
- Section IV [**Officers**], paragraph 10-11 which are related to the ‘election of the Chair and Vice-Chair’;
- Section XIV [**Termination of Board Membership**], paragraph 52-54: It is unclear whether the CMA need to be added to the CMP in paragraphs 52-53 or not.

### *Other unclear issues*

3. **Section XVIII [Amendments to Rules of Procedure], paragraph 64:** Currently it is unclear whether this would need to be revised. This depends on whether amendments to RoP need to be approved not only by CMP but also by CMA. If CMA does not need to be added in this paragraph, the revision of paragraph 64 is not necessary. It is also unclear whether the revision needs to be approved by the CMA if the revision of RoP is related to the matters of Paris Agreement. In addition, there may be issues which are not easy to distinguish between only CMP matter and only CMA matter.

4. **Section XIX [Overriding Authority of the Kyoto Protocol, paragraph 65]:** Currently it is unclear whether there would be a need to add *“In the event of any conflict between any provisions of these rules and any provisions of the Paris Agreement, the Paris Agreement shall prevail”* to the current provision.

## III. Provisions that are not closely linked with anticipated CMP decisions and that may be revised for updates in line with Decisions 1/CMP.14 and 13/1

5. **Section II [Definitions], paragraph 2:** Possible revision may include those of ‘Fund,’ ‘Board,’ ‘Member’ and ‘Alternate,’ ‘Parties.’

- Subparagraph (b) **“Board”**: “under the guidance of, and be accountable to the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019 pursuant to decisions 13/CMA.1 and 1/CMP.14” could be added.
- An addition of a standalone subparagraph of **‘the definition of Paris Agreement’** after subparagraph (m):
  - For instance, “Agreement” means the Paris Agreement adopted under the United Nations Framework Convention on Climate Change;
  - (m) *“Protocol” means the Kyoto Protocol to the United Nations Framework Convention on Climate Change;*
- Subparagraph (n) **“Parties”**: Addition of ‘the Parties to the Paris Agreement’

6. **Section IV [Officers], paragraphs 15:** Paragraph 15 is related to ‘**the Chair’s Report to CMP.**’ Here, “and to the CMA on matters relating to the Paris Agreement” could be added.
7. **Section VI, paragraphs 18 which is related to the ‘place of the Board meeting’:** Here, “in conjunction with sessions of the CMP” could be updated to “in conjunction with sessions of the CMP and CMA.”