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**CONFERENCE OF THE PARTIES SERVING AS THE
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Item ... of the provisional agenda
Adaptation Fund
Report of the Adaptation Fund Board

Report of the Adaptation Fund Board**Note by the Chair of the Adaptation Fund Board***Summary*

This report has been prepared in response to decision 1/CMP.3 requesting the Adaptation Fund Board to report on its activities at each session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), and covers the period from 1 August 2013 to 31 July 2014. The Chair will report orally to the CMP at its tenth session on activities carried out from 1 August 2014 to 30 November 2014. The report provides information on progress made with respect to the Adaptation Fund, in particular on the implementation of tasks mandated by the CMP, and recommends actions to be taken by the CMP, as appropriate. The report contains, inter alia, a draft decision for approval by the CMP in accordance with decision 1/CMP.4 and information on decisions and actions taken by the Adaptation Fund Board to be noted by the CMP.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), at its seventh session, agreed to the establishment of the Adaptation Fund (the “Fund”).¹ The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its third session, decided that the operating entity of the Adaptation Fund would be the Adaptation Fund Board (the “Board”), serviced by a secretariat and an interim trustee (the “trustee”).²

2. By its decision 1/CMP.3, the CMP requested the Board to report on its activities at each session of the CMP. It further invited the Global Environment Facility (GEF) to provide secretariat services to the Board, and the International Bank for Reconstruction and Development (the “World Bank”) to serve as the trustee for the Fund, both on an interim basis.

B. Scope of the note

3. This report provides information on progress made with respect to the Fund, in particular on the implementation of the mandate from the CMP, and recommends actions to be taken by the CMP, as appropriate. The report covers the period from 1 August 2013 to 31 July 2014.

C. Recommendations for action by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session

4. The CMP may wish to take note of the information contained in this report and consider adopting a draft decision on the extension of and on the amendment to the terms and conditions of services to be provided by the World Bank as trustee of the Adaptation Fund (Annex I).

5. The Board invites the CMP to take note of the following key events, actions and decisions, taken in accordance with decision 1/CMP.4, paragraph 10:

- (a) Accreditation of 16 national implementing entities (NIEs) that can directly access resources from the Adaptation Fund, including one during the reporting period; Accreditation of 4 regional implementing entities (RIEs), including two during the reporting period.
- (b) Cumulative receipts into the Adaptation Fund trust fund reached US\$ 407.4 million, comprising US\$ 190.4 million from the monetization of certified emission reductions (CERs), US\$ 213.7 million from additional contributions and US\$ 3.2 million from investment income earned on trust fund balances (as at 31 July 2014);
- (c) Cumulative project and programme approvals reached US\$ 226.2 million (as at 31 July 2014);
- (d) Approval of the environmental and social policy of the Fund;
- (e) Approval of the readiness programme for direct access to climate finance, launched on 1 May 2014, and of its execution arrangements and eligibility criteria to allocate funds to accredited implementing entities for specific activities;
- (f) Approval of one annual intersessional project/programme review cycle, during an intersessional period of 24 weeks or more between two consecutive Board meetings;

¹ Decision 10/CP.7.

² Decision 1/CMP.3, paragraph 3.

- (g) Funds available for new funding approvals amounted to US\$ 150.8 million at 31 July 2014;
- (h) Approval of six project/programme proposals submitted by implementing entities with the total amount of US\$ 41.3 million, including one proposal submitted by the National Implementing Entity for Rwanda with the amount of US\$ 10.0 million. The other five approved proposals were submitted by Multilateral Implementing Entities with a total amount of US\$ 31.3 million, which had been previously placed in the pipeline established by the Fund. These proposals had previously been recommended for approval by the Fund's Project and Programme Review Committee, but could not be approved by the Board given the 50 per cent cap³. At the end of the reporting period, five proposals totalling US\$ 38.4 million requested funding remained in the pipeline;
- (i) Set a new fundraising target of US\$ 80 million per calendar year in 2014 and 2015;
- (j) Pledges surpassed the Fund's fundraising goal of US\$ 100 million for calendar years 2012-2103, totalling US\$ 104.3 million. As of 31 July 2014, a total of US\$ 224.1 million in cumulative pledges had been made to the Fund, of which US\$eq. 10.4 million were still outstanding.

II. Work undertaken during the reporting period

6. The Board held two meetings during the reporting period, each convened at the premises of the United Nations Convention to Combat Desertification (UNCCD) in Bonn, Germany. The agendas and annotations (including background documentation on the agenda items) and detailed reports of the meetings are available on the Fund's website.⁴

7. The following sections describe the major work undertaken by the Board during the reporting period.

Election of the Chair and Vice Chair of the Adaptation Fund Board

8. In accordance with decision 1/CMP.3, paragraph 13, the Board, at its nineteenth meeting, elected, by consensus, Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries (LDCs)) as Chair and Ms. Laura Dzelzyte (Lithuania, Eastern European Countries) as Vice Chair of the Adaptation Fund Board.

Changes in composition of the Adaptation Fund Board

9. During the reporting period, a number of members and alternate members of the Board have been replaced. Mr. W. L. Sumathipala (Sri Lanka), the Member and Mr. Ilhomjon Rajabov (Tajikistan), the Alternate for the Asia-Pacific constituency, left the Board. Mr. Nauman Bashir Bhatti (Pakistan) has been elected as the Member for the Asia-Pacific constituency. Nomination for the Alternate is pending. Mr. Anton Hilber (Switzerland) resigned the position of Member and Ms. Yuka Greiler replaced Mr. Hilber for the Western Europe and others constituency (WEOG). Mr. Kotaro Kawamata (Japan) resigned the position of Alternate and Ms. Ana Fornells de Frutos (Spain) has taken his former position for the Annex I constituency. Nomination for the Member is pending. Mr. Bruno Sekoli, the Member for Non-Annex I constituency, left the Board. Mr. Boubacar Sidiki (Mali) has taken Mr. Sekoli's former position as the Member and Ms. Wenhong Huang (China) has taken the position of Alternate for the Non-Annex I constituency. It is with deep sadness that we report the passing of Mr. Peceli Vocea (Fiji), the Member for the Small Island Developing States in June 2014; the nomination for his seat is pending.

10. The complete list of Board members and alternate members is contained in Annex II.

Calendar of meetings of the Adaptation Fund Board in 2014

³ Decision B.12/9

⁴ <<http://www.adaptation-fund.org>>.

11. The Board adopted a calendar of meetings for 2014 (see Table 1) at its twenty second and twenty third meetings. Meetings of the Project and Programme Review Committee (PPRC) and the Ethics and Finance Committee (EFC) immediately preceded each Board meeting.

Table 1. Calendar of meetings of the Adaptation Fund Board in 2014

Dates	Location
20-21 March	Bonn, Germany
9-10 October	Bonn, Germany

Work plan of the Adaptation Fund Board

12. The Board, at its twenty third meeting, adopted the work plan for the Adaptation Fund Board for fiscal year 1 July 2014 through 30 June 2015.⁵

Budget of the Adaptation Fund Board, secretariat and trustee

13. At its twenty third meeting, the Board considered and approved resources to support the work of the Board and its secretariat and the trustee through to 30 June 2015 (Annex III).⁶ The estimated administrative budget requirement approved for the fiscal year 2015 for the Board, the secretariat and the trustee is US\$ 4,273,658 as at 30 June 2014, representing a decrease of 9% from the approved amount for the previous year due to the reduction in the number of Board meetings and their entailed travel costs. Over the course of the fiscal year 2014 to 2015, additional US\$ 670,000 has been allocated to the administrative budget for the Board and the secretariat to implement the readiness program for Climate Finance.

Accreditation of Implementing Entities

14. Decision 1/CMP.3, paragraph 30, provides that “in order to submit a project proposal, Parties and implementing ... entities shall meet the criteria adopted by the Adaptation Fund Board ..., in order to access funding from the Adaptation Fund.”

15. The Accreditation Panel met three times during the reporting period. The Board elected Ms Angela Churie-Kallhauge (Sweden, WEOG) as Chair and Mr Philip Weech (Bahamas, GRULAC) as Vice Chair. The Accreditation Panel is constituted by these two Board members, along with four independent expert members.

16. In line with the decision referred to in paragraph 16 above, during the reporting period the Board considered the recommendations of the Accreditation Panel and approved the accreditation of two additional national implementing entity (NIE), the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) and the Desert Research Foundation of Namibia; two additional regional implementing entities (RIEs), the Secretariat of the Pacific Regional Environment Programme (SPREP), and the Latin American Development Bank (CAF); and one additional multilateral implementing entity (MIE), the European Bank of Reconstruction and Development (EBRD). The total number of accredited implementing entities as of the date of this report amounted to 17 NIEs, four RIE and 11 MIEs. The list of accredited implementing entities is contained in Annex IV to this report.

Adaptation Fund Board committees

17. The Ethics and Finance Committee (EFC) and the Project and Programme Review Committee (PPRC), established by the Board in 2009, met three times during the reporting period, scheduling their meetings two days prior to the subsequent Board meetings. Mr. Ezzat Lewis Hannalla Agaiby (Egypt, African Group) was elected as Chair of the PPRC and Mr. Markku Kanninen (Finland, WEOG) was elected as Vice Chair. Ms. Su-Lin Garbett-Shiels (United Kingdom of Great Britain and Northern Ireland) was elected as Chair of the EFC and Ms. Irina Helena Pineda Aguilar (Honduras, GRULAC) was elected as Vice Chair.

⁵ Decision B.23/20.

⁶ Decision B.23/21.

18. The EFC considered and made recommendations to the Board on the following items: zero tolerance policy for corruption, risk management in the Fund's operations, complaint handling mechanism, fundraising campaign and strategy, implementation of the 50 per cent cap for MIEs, the annual report, project performance reports, overall evaluation of the Fund, core indicator methodologies, CER monetization, and the budget of the Board and secretariat, and trustee.

19. Up to the end of the reporting period, the PPRC had reviewed 10 project concepts and 10 fully developed proposals, representing 20 distinct proposed projects, reviewed during two meetings and one intersessional review period. It also discussed and conveyed the outcomes of its deliberations to the Board on issues related to the intersessional review and approval of projects/programmes, possible effects on administrative costs of the use of multiple executing entities and implementing partners, and the publication on the website of its reports.

Funding decisions on adaptation projects and programmes

20. Decision 1/CMP.4 paragraph 10, "Requests the Adaptation Fund Board to start processing proposals for funding projects, activities or programmes, as applicable, and to report back on progress made to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol."

21. In line with the provision referred to in paragraph 20 above, the Board approved six proposals for funding for a total amount of US\$ 41.3 million, during the Adaptation Fund Board meetings held during the reporting period and intersessionally (Annex V). During the reporting period, two proposals recommended for approval by the PPRC were added to the pipeline which, by the end of the reporting period, included five proposals, for a total project amount of US\$ 38.4 million. The Parties whose proposals have been approved for funding over the reporting period are: Guatemala, Cuba, Seychelles, Myanmar, Rwanda and Uzbekistan. It deserves to be noted that with the exception of the project in Rwanda which is implemented by a National Implementing Entity, these projects had been proposed by Multilateral Implementing Entities, and had been placed in the pipeline in 2012 and 2013 (see paragraph 25 below). The resources available for funding these five MIE proposals were provided by donor Parties following pledges made during 2013, particularly at CMP 9.

22. In addition to the funding decisions listed above, the Board endorsed seven project concepts for a total amount of US\$ 40.6 million at its meetings during the reporting period, and approved project formulation grants for six of those projects that had been submitted by NIEs, for a total amount of US\$ 179,100. The Parties whose concepts were endorsed during the reporting period are: Costa Rica, India, Indonesia, Jordan and Morocco.

23. The sectors represented in the approved fully-developed proposals and endorsed concepts included: agriculture, food security, coastal management, rural development and water resources management.

24. Responding to the suggestions and requests from the civil society and non-governmental organization observers, all project/programme proposals are posted on the Adaptation Fund website as they are received, and interested stakeholders may post online comments pertaining to the proposals.

Project/programme pipeline

25. The Board decided to maintain the 50 per cent cap on the funding of projects/programmes implemented by MIEs.

26. At its nineteenth Board meeting the recommended projects/programmes implemented by MIEs had reached the cap, and the Board had established a pipeline of fully developed projects/programmes that had been recommended by the PPRC for approval by the Board, but whose approval would exceed the 50 per cent cap on available resources in the trust fund. At the end of this reporting period five recommended proposals with a total funding request of US \$ 38.4 million are placed therein, waiting to be approved by the Board as resources become available. The order of priority of the proposals in the pipeline is the following: Belize, Ghana, Mali, Nepal and Indonesia. As mentioned in paragraph 21 above, five projects and programmes that were previously placed in the pipeline were funded during the reporting period. One additional project may be

funded with resources that have become available during the reporting period, subject to conclusion of administrative procedures and legal agreement with the implementing entity.

Portfolio monitoring

27. Over the course of the reporting period, the Board considered the third annual performance report of the Fund, covering fiscal year 2013 (July 1 2012-June 30 2013). Over the reporting period, 24 projects had started implementation, including two projects during that period. A total of US \$96 million has been disbursed to projects through the period covered by this report, including \$39.7 million during that period. The largest amount of grant funding approved thus far has been to the Asia-Pacific region with thirteen projects totalling US\$ 79.8 million in grants (36 per cent),⁷ followed closely by Latin America and the Caribbean with ten projects totalling US\$ 70.3 million in grants and Africa US\$ 70.1 million (31 per cent). In terms of sector, the largest grant amount has gone to adaptation projects in the Agriculture sector with US\$ 38.6 million approved (17%), followed closely the water management sector for US\$ 33.9 million (15%).

28. The Fund also tracks the breakdown of the proposed grant amount by Fund level-outcome, under the Adaptation Fund Strategic Results Framework (SRF). The largest amount of grant funding proposed is channeled toward outcome five of the SRF, *increased ecosystem resilience in response to climate change and variability-induced stress* (US\$ 49.4 million, 29 per cent), and outcome four, *increased adaptive capacity within relevant development and natural resource sectors* (US\$ 48.8 million, 28 per cent).

Second review of the Adaptation Fund

29. The initial review of the Adaptation Fund concluded at CMP 8. On that occasion, the CMP noted “with concern issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund based on the current uncertainty on the prices of certified emission reductions and the continuation of the Adaptation Fund during and beyond the second commitment period of the Kyoto Protocol.”⁸ The CMP further requested “the Adaptation Fund Board to report to the Subsidiary Body for Implementation at its thirty-eighth session on the status of resources of the Fund, trends in the flow of resources and any identifiable causes of these trends.”⁹ The requested information was prepared by the Board, with the support of the trustee, and submitted to the SBI for consideration.

Amendment to the Kyoto Protocol adopted at CMP 8: share of proceeds of other Kyoto Protocol mechanisms

30. The amendment to the Kyoto Protocol adopted by decision 1/CMP.8, following Article 12, paragraph 8, of the Kyoto Protocol, maintained at two per cent the share of the proceeds of the CERs issued for project activities, except those in least developed country Parties. In addition, the amendment states “that for the second commitment period, the Adaptation Fund shall be further augmented through a 2 per cent share of the proceeds levied on the first international transfers of AAUs and the issuance of ERUs for Article 6 projects immediately upon the conversion to ERUs of AAUs or RMUs previously held by Parties.”

31. The Board at its twentieth meeting received a presentation by the UNFCCC secretariat. The need to request clarification to the CMP about the timing of and procedures/responsibilities for the levy in relation to conversion of ERUs was raised. Particularly, the Board should: a) decide on the hosting of the account for new allowances, and whether to request the CDM Executive Board to facilitate arrangements to use the CDM registry, and b) identify the appropriate entity to monetize AAUs and ERUs. The presentation noted that, in the event the trustee is identified as such entity, the Board would need to request the services of the trustee for such purposes and negotiate with the trustee amended terms and conditions of services to be provided to the Adaptation Fund. The Board had identified the trustee, and such request has been made, as further described below and in the recommended decisions annexed hereto.

⁷ The Asia region includes projects in the Pacific Island States.

⁸ Decision 3/CMP.8 para 4.

⁹ Id. Para 5.

International Aid Transparency Initiative

32. At its twenty-first meeting, the Board agreed on an implementation schedule to publish IATI-compliant data by the end of September 2013. The Fund published its project data to the International Aid Transparency Initiative (IATI) registry in April of 2014, making its data public and searchable on IATI's platform,

Environmental and social policy of the Fund

33. The Board at its twenty-second meeting approved a revised proposal of environmental and social policy (policy) for the Fund, which incorporated inputs received following a public call for comments. In order to operationalize the policy, the Board also approved amendments to the Fund's operational policies and guidelines for Parties to access resources from the Adaptation Fund, its related templates, and instructions. Finally, the Board approved a tiered approach to deal with already accredited implementing entities and applicants under review, and amendments to the accreditation application that incorporated the requirements of the policy into the accreditation process.¹⁰ The policy aims at strengthening and streamlining the application of environmental and social safeguards in the Fund's policies and procedures. The Board further decided to hire two environmental and social experts to assist the secretariat and the Accreditation Panel in operationalizing the policy. The secretariat is currently working on a guidance document for implementing and executing entities to better understand the principles of the policy and their application to the accreditation process and project/programme cycle.

Readiness programme for direct access

34. The Board at its twenty-second meeting approved Phase 1 of the readiness programme for direct access to climate finance, on the basis that it would follow performance-based funding principles.¹¹ At its twenty third meeting, the Board further approved the programme's execution arrangements and eligibility criteria to allocate funds to accredited implementing entities for specific activities, as well as a timeline of activities. The objectives of the programme are to increase the number of applicant national entities seeking accreditation and the number of high quality proposals submitted to the Board within a reasonable time after accreditation.¹²

35. Over the reporting period, the following activities have been carried out:

- a) The first readiness seminar for direct access to climate finance (Washington, DC, 1-2 May 2014). It focused on convening experts and thought leaders in climate finance readiness, sharing experiences and charting the path forward for the programme;
- b) Launch of South-South cooperation grants for already-accredited NIEs to assist potential applicant national entities in preparing accreditation applications (May 2014). The deadline for submissions was 15 August 2014;
- c) The Africa NIE workshop (Nairobi, 2-4 July 2014), in partnership with Heinrich Boell Foundation, Climate Development Knowledge Network (CDKN), and the National Environment Management Agency of Kenya (NEMA). It focused on sharing the experience of the already-accredited NIEs in Africa; and
- d) The second readiness seminar for direct access to climate finance (Washington, DC, 15-17 July 2014). It focused on readiness throughout the project cycle.

Communications

36. The Board increased its efforts to disseminate news and stories about the Fund's work during the reporting period. The Fund's website and social media were improved and registered record visits and followers. Outreach materials illustrating the Fund's activities and results, its direct access modality, and the

¹⁰ Decision B.22/23.

¹¹ Decision B.22/24.

¹² Decision B.21/28.

new Readiness Programme for Climate Finance were created and disseminated.. The secretariat, at the Board's request, initiated dialogues with potential private sector partners and collaborators.

37. Board members and the secretariat participated in a number of events to showcase the Fund's experience. At the invitation of the government of the Bahamas, the secretariat organized a one day workshop titled "Supporting direct access to climate finance in the Caribbean Region." The workshop provided an opportunity for representatives from four non-annex I Parties to the Kyoto protocol as well as a representative from the Caribbean Development Bank (CBD) to interact and learn about the accreditation process. Other events in which the Board or its secretariat participated are: the 2014 Carbon Expo in Cologne; the Open Knowledge Conference (OKCon.) in Geneva; the 2013 Annual Meeting of the Notre Dame Global Adaptation Index (ND-GAIN) in Washington, DC; the Eighth Conference on Community-based Adaptation (CBA8) in Kathmandu, Nepal; the first WFP Adaptation Fund Workshop in Rome, Italy; the Third International Climate Change Adaptation Conference in Fortaleza, Brazil; the Second Forum of the UNFCCC Standing Committee on Finance and 2014 Climate Investment Funds Partnership Forum in Montego Bay, Jamaica;; the fortieth sessions of the Subsidiary Bodies of the UNFCCC; the Fifth, Sixth and Seventh Board meetings of the Green Climate Fund and the Fifth, Sixth and Seventh meetings of the Standing Committee on Finance.

Resources in the Adaptation Fund Trust Fund

38. As of 31 July 2014, the trustee had sold 20.8 million Adaptation Fund CERs, at an average price of EUR 6.70, generating revenues of US\$ 190.4 million. Receipts from the monetization of CERs amounted to US\$ 2.11 million during the 12 months to 31 July 2014. As of 31 July 2014, 8.58 million CERs were still available to be sold, in accordance with the CER Monetization Guidelines adopted by the Adaptation Fund Board. The Board has instructed the trustee to transfer a total of US\$ 100.6 million to implementing entities to date.

39. Funds available for new funding approvals amounted to US\$ 150.8 million at 31 March 2014.

Dialogue with civil society organizations

40. The Board at its twelfth session initiated regular dialogue sessions with civil society organizations in order to listen to their proposals, receive feedback on the issues comprising the Board agenda, and exchange views. The sessions are part of the Board agenda.

Amendment to the terms and conditions of services provided by the World Bank as Interim Trustee for the Adaptation Fund

41. The mandate of the World Bank as interim trustee of the Adaptation Fund expires on May 30, 2015. The Adaptation Fund Board considered this issue at its twenty-third meeting in March 2014 and decided to request that the mandate of the World Bank as trustee be extended for an additional two years.

42. In accordance with the Doha amendment to the Kyoto Protocol, adopted through Decision 1/CMP.8, the CMP decided "that for the second commitment period, the Adaptation Fund shall be further augmented through a two per cent share of the proceeds levied on the first international transfers of AAUs and the issuance of ERUs for Article 6 projects immediately upon the conversion to ERUs of AAUs or RMUs previously held by Parties." At its ninth session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (the CMP), decided the following:

"9. *Requests* the Adaptation Fund Board to consider the arrangements for the monetization of the 2 per cent share of proceeds referred to in paragraph 8 above, including the appropriate entity or entities to monetize the share of proceeds, and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its tenth session;

10. *Also requests* the Adaptation Fund Board to develop and approve the legal arrangements with the trustee regarding the services for the 2 per cent share of proceeds referred to in paragraph 8 above for approval by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;"

43. The Adaptation Fund Board considered these matters at its twenty third meeting and decided to recommend that the CMP select the World Bank as the entity to monetize the share of proceeds from Assigned Amount Units (AAUs) and Emission Reduction Units (ERUs). Amendments to the *Terms and Conditions of Services provided by the World Bank as trustee for the Adaptation Fund* presented in Annex 1 are required to enable such monetization;

44. Hence, the Adaptation Fund Board recommends that the CMP adopt the decision attached as Annex 1. This revision will be effective upon adoption by the CMP, and subsequently by agreement of the World Bank as trustee.

III. Support to the Adaptation Fund Board for the implementation of its mandate

45. Decision 4/CMP.5, paragraph 9 “Encourages Parties included in Annex I to the Convention and international organizations to provide funding to the Adaptation Fund, which will be additional to the shares of the proceeds from clean development mechanism project activities.” Further, by decision 6/CMP.7, paragraph 5, the CMP continues to encourage the provision of funding by Parties included in Annex I to the Convention and international organizations.

46. At its twenty second-meeting the Board approved a fundraising strategy. The Board held two sessions of the dialogue with donors in the margins of the COP 19/CMP 9 in Warsaw, December 2013 and of the fortieth meetings of the UNFCCC Subsidiary Bodies in Bonn, June 2014. Another session is scheduled to take place in the margins of COP 20 / CMP 10 in Lima.

47. Pledges by donor Parties made during COP 19/CMP 9 surpassed the fundraising target of US\$ 100 million established by the Board for the period 16 March 2012 - 31 December 2013, with US\$ 31.8 million received before COP 19/CMP 9, and an equivalent of ca. US\$ 72.2 million pledged during it. As of the date of issuance of this report, US\$ 94.2 million of the pledges made towards the fundraising target have been deposited into the trust fund. However, with pledges equivalent to ca. US\$ 10.4 million still outstanding the fundraising target has yet to be fulfilled. No contributions have been received against the fundraising target for the period 1 January 2014 – 31 December 2014.

48. At its twenty-third meeting the Board decided to extend the mandate of the Fundraising Task Force to continue implementing the fundraising strategy, with the new fundraising target of US\$ 80 million per calendar year in 2014 and 2015.¹³ The task force is composed of Ms. Ana Fornells de Frutos (Spain, Annex I Parties), Ms. Angela Churie-Kallhauge (Sweden, Western European and Others Group), Ms. Su-Lin Garbett-Shiels (United Kingdom, Annex I Parties), Ms. Laura Dzelzyte (Lithuania, Eastern European Countries), Mr. Jeffery Spooner (Jamaica, Latin America and Caribbean Countries), Mr. Mamadou Honadia (Burkina Faso, Least-Developed Countries), adding Mr. Marc-Antoine Martin (France, Annex I Parties) as a new member, and extending the term of Mr. Zaheer Fakir (South Africa, Africa) as its Coordinator.

49. During the reporting period (1 August 2013 to 31 July 2014), the Fund received contributions from: Austria EUR 500,000 (USDeq. 690,250), Finland EUR 5 million (USDeq 6.8 million), France USD 53,340, Germany EUR 30 million (USDeq. 40.8 million), Norway NOK 15 million (USDeq. 2.4 million), Switzerland CHF 10 million (USDeq. 10.9 million), and the Brussels Capital region in Belgium for EUR 500,000 (USDeq. 680,250).

50. The Board would like to express its gratitude to the Governments of Austria, Finland, Germany, Norway, Sweden, Switzerland, and the Brussels Capital region in Belgium for their support to the Fund in meeting its 2012-2013 fundraising target. The Board also recognizes the support of the Polish Presidency of COP 19 / CMP 9 in its fundraising efforts, the Adaptation Fund Board secretariat, the trustee, and the UNFCCC secretariat.

51. In accordance with decision 1/CMP.3, paragraph 18, the dedicated team of officials at the Fund secretariat comprises four professional staff members; namely the secretariat’s Manager, one Senior Climate

¹³¹³ Decision 23/25.

Change Specialist, one Adaptation Officer, and one Operations Officer (Monitoring and Accreditation). It also comprised a Programme Assistant, a Junior Professional Associate, an Extended Term Consultant (Communications), and a Short Term Consultant (support to operations).

Annex I:**AMENDED AND RESTATED TERMS AND CONDITIONS OF SERVICES TO BE PROVIDED BY THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AS TRUSTEE FOR THE ADAPTATION FUND****I. Recitals**

- (a) A clean development mechanism (CDM) was established under Article 12 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the Convention) (the Kyoto Protocol).
- (b) The Conference of the Parties decided in its decision 10/CP.7 that an adaptation fund (the Adaptation Fund) shall be established to finance concrete adaptation projects and programmes in developing country Parties that are Parties to the Kyoto Protocol, as well as activities identified in decision 5/CP.7, paragraph 8.
- (c) The decision was further endorsed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) through its decision 28/CMP.1.
- (d) In decision 1/CMP.3, the CMP decided that the Adaptation Fund shall finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties, and that the Adaptation Fund Board shall be established as the operating entity of the Adaptation Fund.
- (e) The CMP, in its decision 1/CMP.3, invited the International Bank for Reconstruction and Development (the World Bank) to serve as the trustee for the Adaptation Fund (the World Bank in such capacity, the Trustee) on an interim basis, and requested the Adaptation Fund Board to present the necessary legal arrangements to be concluded between the CMP and the trustee, for adoption by the CMP at its fourth session.
- (f) The CMP and the World Bank concluded the legal arrangements necessary for the World Bank to serve as Trustee on an interim basis by way of adopting and accepting the terms and conditions of services to be provided by the International Bank for Reconstruction and Development as trustee for the Adaptation Fund (the Terms and Conditions) as contained in the appendix to annex III to decision 1/CMP.4.
- (g) The Terms and Conditions were amended twice to extend the term of the Trustee's services thereunder on an interim basis, as set out in decision 5/CMP.6, paragraph 1, and decision 1/CMP.9, paragraph 1.
- (h) The CMP, in its decision 1/CMP.9 requested the Adaptation Fund Board to develop and approve the legal arrangements with the trustee regarding the services for the 2 per cent share of proceeds levied in accordance with decision 1/CMP.8, paragraph 21, for approval by the CMP.
- (i) The Adaptation Fund Board has developed and approved the legal arrangements with the Trustee for approval by the CMP, which are proposed to be concluded between the CMP and the Trustee by amending and restating the Terms and Conditions.
- (j) The CMP and the World Bank wish to amend and restate the Terms and Conditions as follows:

II. Terms and conditions

A. Role and responsibilities of the Trustee

1. The World Bank shall act as the Trustee on an interim basis in accordance with the Terms and Conditions set forth herein.
2. The Trustee shall comply with the principles and modalities for operations stipulated in the relevant decisions of the CMP and decisions of the Adaptation Fund Board. The Trustee shall be closely consulted in the development of decisions, taken by the CMP or the Adaptation Fund Board after the effective date of the Terms and Conditions, which relate in any way to the functions of the Trustee performed or to be performed, and the Terms and Conditions stipulated below shall be applicable. The Trustee shall perform its functions under the Terms and Conditions in accordance with the applicable provisions of the World Bank's Articles of Agreement, by-laws, policies and procedures.
3. The CMP hereby: (1) confirms its designation, under its decision 1/CMP.3, of the Adaptation Fund Board as its designee and delegatee in respect of the Adaptation Fund, acting under the authority and guidance of the CMP, and (2) imbues the Adaptation Fund Board with the capacity, power and authority to render decisions and provide instructions, directions and guidance to the Trustee hereunder and to cause to be effectuated the sale or disposal for the purpose of monetization (Sale), of certified emission reductions (CERs), assigned amount units (AAUs) or emission reduction units (ERUs) collected as the share of proceeds for the Adaptation Fund (any such CERs, AAUs or ERUs, hereinafter referred to individually or collectively as the Share of Proceeds), pursuant to paragraphs 24, 25, 26, 27 and 28 below.
4. The Trustee, in the performance of its functions under the Terms and Conditions, shall be accountable to the Adaptation Fund Board.
5. Without prejudice to any other provisions of the Terms and Conditions, the Trustee shall, in performing its functions under the Terms and Conditions, act upon decisions, instructions, directions or guidance of the CMP or the Adaptation Fund Board (or such other person designated in writing by the Adaptation Fund Board for that purpose (Authorized Designee)), only if such decisions, instructions, directions or guidance are provided to the Trustee in writing. The Trustee shall not be responsible for inquiring or investigating if any decisions, instructions, directions or guidance of the Adaptation Fund Board or, as the case may be, any Authorized Designees, do not contravene an existing decision or act of the CMP, and shall have no liability for relying in good faith on any written decision, instruction, direction or guidance of the CMP, Adaptation Fund Board or any Authorized Designees, without further inquiry or investigation on its part or otherwise for any actions taken, or omitted to be taken, in good faith.
6. The CMP acknowledges that the Trustee may disclose information obtained by it in connection with its functions under the Terms and Conditions, if such disclosure is required or otherwise necessary in carrying out the services and activities set out herein, in accordance with the World Bank's policies and procedures.
7. The Trustee shall establish a trust fund for the Adaptation Fund (the Trust Fund), and shall hold in trust, as a legal owner, and administer the funds, assets and receipts, which constitute the Trust Fund, on behalf of the Adaptation Fund supervised and managed by the Adaptation Fund Board.
8. For the purpose of the monetization of the Share of Proceeds for the Adaptation Fund, the Trustee, in its capacity as agent of the CMP, is hereby authorized by the CMP to administer Sales of the Share of Proceeds under the instructions, direction and guidance of the Adaptation Fund Board consistent with its responsibility for the monetization of the Share of Proceeds, pursuant to paragraphs 24, 25, 26, 27 and 28 below.
9. The Trustee shall be responsible only for performing those duties and responsibilities specifically and expressly set forth in the Terms and Conditions and shall not be subject to any other duties or responsibilities

(express or implied), including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of equity, trust or fiduciary obligations and/or any other legal or equitable principles. To the extent that Sales of the Share of Proceeds are conducted by the Trustee pursuant to paragraphs 24, 25, 26, 27 and 28 below, the Trustee shall not be responsible for the legality, validity or enforceability of any such Sales of the Share of Proceeds, the value obtained from such Sales of the Share of Proceeds (including any reduction in the value of the CERs, AAUs or the ERUs from the time they are credited to the CDM Account (as defined in paragraph 24 below) to the time such Sales are consummated) or any expenses or liabilities incurred in connection with such Sales.

10. The Trustee shall not be liable for any failure to carry out its obligations under the Terms and Conditions where such failure is a result of a Force Majeure Event and, for so long as such circumstances continue, shall be relieved of its obligations under the Terms and Conditions which it has been prevented from fulfilling as a result of that Force Majeure Event without liability; provided that the Trustee shall, notwithstanding that it is relieved from its obligations hereunder, take all reasonable and practical steps to minimize any loss and/or disruption resulting from any such Force Majeure Event. For the purpose of this paragraph, "Force Majeure Event" means any event beyond the reasonable control of the person affected including, without limitation, labor dispute, act of God, war, act or circumstance of terrorism, riot, civil commotion, malicious damage, accident, breakdown of essential computer software, hardware or system failure, fire, flood and/or storm and other unforeseen circumstances materially and adversely effecting the performance of the functions of the Trustee under the Terms and Conditions.

11. The CMP acknowledges that the World Bank shall have the right to engage in any of the types of activities described in the Terms and Conditions for its own account or for the account of clients other than the Adaptation Fund whether acting as trustee, adviser or in any other capacity vis-à-vis such clients. The CMP agrees that the World Bank, in carrying out such activities for its own account or for the account of others, may decide to adopt approaches and courses of actions, which differ from the approaches and courses of action that the Trustee decides to take in performing the services for the Adaptation Fund described in the Terms and Conditions. In engaging in such activities for its own account or for the account of others, the World Bank will put in place measures designed to avoid or mitigate conflicts of interest arising from its functions under the Terms and Conditions relating to the Sale of the Share of Proceeds for the Adaptation Fund.

12. If a decision by the CMP or the Adaptation Fund Board after the effective date of the Terms and Conditions relates to the functions of the Trustee performed or to be performed under the Terms and Conditions, such decision shall be developed in close consultation with the Trustee. In the absence of such consultation with and the agreement of the Trustee, the Trustee shall not be bound by any decision of the CMP or the Adaptation Fund Board, to the extent that such a decision relates to the functions of the Trustee performed or to be performed under the Terms and Conditions.

13. The CMP agrees that the Trustee shall be fully indemnified, out of the assets held for the Adaptation Fund, including the Trust Fund resources, for any liabilities, claims, losses, costs and expenses, including attorneys' fees and expenses, incurred by the Trustee in connection with or in any way arising out of its activities as Trustee, including but not limited to any activities of the Trustee in connection with the Sale or the facilitation of the Sale of the Share of Proceeds. Such indemnity shall not include any liabilities, claims, losses, costs or expenses incurred by the Trustee as a direct result of its own gross negligence or willful misconduct.

14. The privileges and immunities accorded to the World Bank shall apply to the property, assets, archives, operations and transactions of the Trust Fund. Nothing in the Terms and Conditions shall be considered a waiver of any privileges or immunities of the World Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

15. The CMP agrees that the Trustee shall be reimbursed annually from the assets held for the Adaptation Fund, including the Trust Fund resources, for the fees, costs and expenses incurred by it in connection with

performing its functions under the Terms and Conditions, including, without limitation, the costs and expenses incurred in connection with the establishment and administration of the Trust Fund, the Sale of the Share of Proceeds, and any and all services provided hereunder, including attorneys' fees and expenses and external auditors' costs, costs of insurance policies and relevant service providers' fees. For this purpose, the Trustee shall submit to the Adaptation Fund Board a proposal for mutual agreement for the services and activities to be provided by the Trustee and estimated fees, costs and expenses to carry out such services and activities for the initial and/or upcoming fiscal year, as applicable. Upon approval by the Adaptation Fund Board of such a proposal, the Trustee shall deduct and transfer the amount of the estimated fees, costs and expenses to its own account from the Trust Fund resources or such other assets held for the Adaptation Fund; provided that the amount of the fees, costs and expenses transferred may be subject to an end of year adjustment based on actual costs and expenses incurred, as such arrangement may be agreed between the Adaptation Fund Board and the Trustee in connection with the aforementioned proposal.

16. In order to enable the Trustee to carry out its functions enumerated in the Terms and Conditions, the Trustee shall be entitled to attend any meetings of the Adaptation Fund Board and, as an observer, any meetings of the CMP which may concern the operations and activities of the Adaptation Fund. Further, the CMP hereby requests the secretariat servicing the Adaptation Fund Board in accordance with decision 1/CMP.3, and the secretariat of the Convention (the UNFCCC secretariat), to cooperate fully with the Trustee.

B. Administration of the Trust Fund

17. The Trustee shall receive and hold in the Trust Fund any proceeds from the Sale of the Share of Proceeds conducted pursuant to paragraphs 24, 25, 26, 27 and 28 below. If requested by the Adaptation Fund Board, the Trustee may accept, on terms mutually agreed between the Trustee and the Adaptation Fund Board, contributions from donors to support the operations of the Adaptation Fund. For the avoidance of doubt, no Share of Proceeds shall be held in the Trust Fund.

18. Subject to paragraphs 2 and 12 above, the Trustee shall administer the funds, assets and receipts of the Trust Fund only for the purpose of, and in accordance with, the Terms and Conditions and the relevant decisions of the CMP and the Adaptation Fund Board.

19. In accordance with decision 1/CMP.3, paragraph 21, and in conformity with the administrative and investment arrangements of the Trustee, the Trustee shall hold the funds, assets and receipts that constitute the Trust Fund separate and apart from the funds of the World Bank. The Trustee shall establish and maintain separate records and accounts to identify the resources of the Trust Fund, the commitments financed out of the Trust Fund, and the receipts and transfers of funds in the Trust Fund.

20. The Trustee shall invest the funds held in the Trust Fund, pending their transfer under paragraphs 15 and 22, in accordance with the Trustee's policies and procedures for the investment of trust funds administered by the World Bank, including commingling of the resources of the Trust Fund for administrative and investment purposes with other trust fund assets maintained by the World Bank. The commingling of Trust Fund resources for administrative and investment purposes should not affect the amount of resources from proceeds of monetization of the Share of Proceeds available in the Trust Fund for transfer of funds for Adaptation Fund operations, activities, projects and programmes. The Trustee shall credit all income from such investment to the Trust Fund to be used for the same purposes as other funds held in the Trust Fund. The CMP acknowledges that no warranty is given by the Trustee as to the performance or profitability of the investment of the funds held in the Trust Fund.

21. The funds held in the Trust Fund may be freely exchanged by the Trustee into other currencies as may facilitate their administration and transfer.

22. The Trustee shall, subject to the availability of resources held in the Trust Fund, record commitments and make transfers of funds from the Trust Fund in the manner agreed between the Trustee and the Adaptation Fund Board, and only at, and in accordance with, the written direction provided to the Trustee by the

Adaptation Fund Board or any Authorized Designee. Upon the transfer of funds, the Trustee shall not have any responsibility for the use of the Trust Fund funds transferred and activities carried out therewith, including but not limited to any responsibility with respect to supervising, monitoring, reporting on or verifying activities carried out with the Trust Fund funds transferred by the Trustee herein.

23. The Trustee shall prepare and furnish the Adaptation Fund Board with financial reports of the Trust Fund annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), and provide records and accounts of the Trust Fund for audit by its external auditors annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board), in accordance with the policies and procedures of the Trustee. Furthermore, the Trustee shall prepare and furnish the Adaptation Fund Board with reports on the Sale of the Share of Proceeds for the Adaptation Fund and on the status of commitments and transfers of Trust Fund funds annually (or at any other such frequency agreed between the Trustee and the Adaptation Fund Board).

C. Sales of Share of Proceeds

24. The CMP hereby authorizes the Sale of the Share of Proceeds from the account established and maintained at the CDM registry for the Adaptation Fund to hold and transfer the Share of Proceeds to assist in meeting the costs of adaptation in accordance with Article 12, paragraph 8 of the Kyoto Protocol (the CDM Account) in the manner set forth hereunder.

25. The Sale of the Share of Proceeds from the CDM Account shall be administered under the instructions, direction and guidance of the Adaptation Fund Board consistent with its responsibility to supervise and manage the Adaptation Fund and for the monetization of the Share of Proceeds.

26. Pursuant to the authority provided under paragraph 3 above, the Adaptation Fund Board may cause to be entered into any and all contracts necessary for the Sale of the Share of Proceeds from the CDM Account by granting to the Trustee any necessary power of attorney on behalf of the CMP, so that the Trustee may execute contracts of Sale with the relevant third party Share of Proceeds purchasers and such other contracts necessary in connection with the Sale or the facilitation of the Sale of the Share of Proceeds, at the direction of the Adaptation Fund Board pursuant to paragraph 28 below.

27. Pursuant to the authority provided under paragraph 8 above, and in furtherance of paragraphs 24, 25 and 26 above, the Trustee may, at the direction of the Adaptation Fund Board pursuant to paragraph 28 below: (1) cause the transfer of the title to the Share of Proceeds to the relevant third party purchasers, or the cancellation of the Share of Proceeds, upon receipt of payment in respect of the transfer or cancellation; (2) enter into arrangements with the CDM Registry Administrator to effectuate such transfers or cancellations of the Share of Proceeds; (3) engage with relevant service providers for the purposes of execution, clearance, settlement and other logistic matters in connection with the Sale or the facilitation of the Sale of the Share of Proceeds; and (4) take other such actions as necessary to effectuate the Sale of the Share of Proceeds for the benefit of the Adaptation Fund.

28. Sale of the Share of Proceeds and transfer of title or cancellation of the Share of Proceeds in respect of such Sale pursuant to paragraphs 24, 25, 26 and 27 above shall be effected by the Trustee only in accordance with the guidelines agreed in writing between the Trustee and the Adaptation Fund Board.

D. Dispute Resolution: Notices

29. The CMP and the Trustee shall, to the extent possible, strive to resolve promptly and amicably questions of interpretation and application of the Terms and Conditions and settle any disputes, controversy, or claim arising out of or relating to the Terms and Conditions.

30. Any dispute, controversy or claim arising out of or relating to the Terms and Conditions, which has not been settled by agreement between the CMP and the Trustee, shall be submitted to arbitration in

accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) in force on the effective date of the Terms and Conditions, and the following provisions: (1) the appointing authority shall be the Secretary-General of the Permanent Court of Arbitration; and (2) the language of the arbitral proceedings shall be English.

31. Any arbitral award under paragraph 30 above shall be final and binding upon the CMP and the Trustee. The provisions set forth in paragraphs 29 and 30 above shall be in lieu of any other procedure for the settlement of disputes between the CMP and the Trustee.

32. Any notice or request required or permitted to be given or made under the Terms and Conditions and any other agreement between any of the parties contemplated by the Terms and Conditions shall be in writing. Any such notice or request shall be deemed to have been duly given or made once it has been delivered by hand, mail, facsimile or, if so designated by the Parties, by other electronic means, to the World Bank or the UNFCCC secretariat, in case of the CMP, to which it is required or permitted to be given or made at such party's address designated by notice to the World Bank or the UNFCCC Secretariat, in case of the CMP, giving such notice or making such request. Deliveries made by facsimile or other electronic means shall also be confirmed by mail.

E. Amendment and termination

33. Any amendment to the Terms and Conditions shall become effective only upon approval and acceptance by the CMP and the World Bank.

34. The Trustee's role as trustee servicing the Adaptation Fund under the Terms and Conditions shall be automatically terminated on 30 May 2017, unless the CMP and the Trustee affirmatively agree in writing to extend beyond this date the term of Trustee's services under the Terms and Conditions.

35. Notwithstanding paragraph 34 above, the CMP may at any time terminate the appointment of the Trustee as trustee servicing the Adaptation Fund under the Terms and Conditions. The Trustee's role as trustee servicing the Adaptation Fund shall be terminated three months after receipt by the Trustee of the notice in writing of the termination of the appointment.

36. Notwithstanding paragraph 34 above, the Trustee may at any time terminate its role as trustee servicing the Adaptation Fund by giving the CMP notice in writing no less than three months prior to any session of the CMP. The Trustee's role as trustee servicing the Adaptation Fund shall be terminated immediately after the session of the CMP which immediately follows the notice by the Trustee. In the event that no session of the CMP is held within 12 months of the Trustee giving notice, however, the Trustee's role shall be terminated 12 months after the Trustee has given notice.

37. Following termination of the Trustee's role as trustee servicing the Adaptation Fund pursuant to paragraphs 34, 35 or 36 above, the Trustee shall carry on no business for the Adaptation Fund except for the purpose of winding up its affairs. The Trustee shall take all necessary action for winding up its affairs in an expeditious manner, and for meeting the commitments already made by the Trustee and the transfer of any remaining funds, assets and receipts in the Trust Fund, as directed by the Adaptation Fund Board. The CMP hereby mandates that in such circumstances the Adaptation Fund Board shall provide such direction to the Trustee without undue delay. All of the powers and rights of the Trustee under the Terms and Conditions, including the right to be reimbursed for the fees, costs and expenses incurred under paragraph 15 above, shall continue until the affairs of the Trustee shall have been wound up.

F. Effectiveness

38. The Terms and Conditions or any amendments to the same shall become effective and constitute an agreement between the CMP and the World Bank upon decisions by the CMP and the World Bank to approve and accept the Terms and Conditions or any amendments to the same.

Annex II: Adaptation Fund Board Members and Alternate Members

Term of Office ¹⁴	Position	Name	Country	Constituency Represented
March 2013 to March 2015	Member	Mr. Yerima Peter Tarfa	Nigeria	Africa
	Alternate Member	Mr. Petrus Muteyauli	Namibia	Africa
(CMP 8 to CMP 10) ¹⁵	Member	Mr. Ezzat Lewis Hannalla Agaiby	Egypt	Africa
	Alternate Member	Mr. Zaheer Fakir	South Africa	Africa
	Member	Mr. Mohamed Shareef	Maldives	Asia
	Alternate Member	Mr. Almgir Mohammed Monsurul Alam	Bangladesh	Asia
	Member	Mr. Nauman Bashir Bhatti	Pakistan	Asia
	Alternate Member	-	-	Asia
	Member	Mr. Valeriu Cazac	Moldova	Eastern Europe
	Alternate Member	Ms. Medea Inashvili	Georgia	Eastern Europe
	Member	Ms. Laura Dzelzyte	Lithuania	Eastern Europe
	Alternate Member	Mr. Aram Ter-Zakaryan	Armenia	Eastern Europe
	Member	Mr. Philip S. Weech	Bahamas	GRULAC
	Alternate Member	Mr. Jeffery Spooner	Jamaica	GRULAC
	Member	Mr. Raúl Pinedo	Panama	GRULAC
	Alternate Member	Ms. Irina Helena Pineda Aguilar	Honduras	GRULAC
	Member	Ms. Yuka Greiler	Switzerland	WEOG
	Alternate Member	Mr. Hans Olav Ibrekk	Norway	WEOG
	Member	Ms. Su-Lin Garbett-Shiels	United Kingdom of Great Britain and Northern Ireland	WEOG
	Alternate Member	Mr. Marc-Antoine Martin	France	WEOG
	Member	-	-	SIDs
	Alternate Member	Mr. Paul Elreen Phillip	Grenada	SIDs
	Member	Mr. Mamadou Honadia	Burkina Faso	LDCs
	Alternate Member	Mr. Adao Soares Barbosa	Timor Leste	LDCs
	Member	-	-	Annex I Parties
	Alternate Member	Ms. Ana Fornells de Frutos	Spain	Annex I Parties
	Member	Ms. Angela Churie-Kallhauge	Sweden	Annex I Parties
	Alternate Member	Mr. Markku Kanninen	Finland	Annex I Parties
	Member	Ms. Margarita Caso Chavez	Mexico	Non-Annex I Parties
	Alternate Member	Ms. Patience Dampney	Ghana	Non-Annex I Parties
	Member	Mr. Boubacar Dembele Sidiki	Mali	Non-Annex I Parties
	Alternate Member	Ms. Wenhong Huang	China	Non-Annex I Parties

¹⁴ Members and alternate members shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms (see decision 1/CMP.3). At the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, half of the members of the Adaptation Fund Board, and their alternate members from the same group, shall continue to serve in office for one additional and final year. The terms as members do not count towards the terms as alternate members, and terms as alternate members do not count towards the terms as members (see decision 1/CMP.4).

¹⁵ The term of office of a member, or an alternate, shall start at the first meeting of the Board in the calendar year following his or her election and shall end immediately before the first meeting of the Board in the calendar year in which the term ends (see decision 4/CMP.5).

Annex III: Actual FY14 and approved FY15 budget of the Board and secretariat, and the trustee

All amounts in US\$		Approved FY14	Actual FY14	Approved FY15
BOARD AND SECRETARIAT				
01	Personnel	1,239,491	1,199,074	1,451,938
02	Travel	773,400	352,036	414,000
03	General operations	263,870	175,634	293,870
04	Meetings	630,000	276,847	340,000
Sub-total secretariat administrative services (a)		2,906,761	2,003,591	2,499,808
05	Overall evaluation (b)	-	-	335,000
06	Accreditation (c)	432,000	373,577	460,000
Sub-total secretariat (a), (b) and (c)		3,338,761	2,377,167	3,294,808
07	Readiness Programme (d)	236,150	86,101	433,850 ¹⁶
Sub-total secretariat (a) + (b) + (c) + (d)		3,805,761	2,463,268	3,410,658
TRUSTEE				
01	CER Monetization	455,000	387,393	246,000
02	Financial and Program Management	210,000	210,655	210,000
03	Investment Management	70,000	98,850	101,000
04	Accounting and Reporting	56,000	48,804	56,000
05	Legal Services	20,000	20,299	40,000
	External Counsel ¹⁷	-	145,044	150,000
06	External Audit	60,000	44,536	60,000
Sub-total trustee		871,000	955,581	863,000
GRAND TOTAL ALL COMPONENTS		4,676,761	3,418,849	4,273,658

¹⁶ The unspent portion of the Readiness Programme budget in FY14 will also be carried over to FY15 in addition to this amount.

¹⁷ The amount approved by the Board for FY15 was used in FY14 instead, further to the request by the Board to prepare draft arrangements for monetization of AAUs and ERUs for submission to CMP10 (AFB/B.23/7).

Annex IV: List of accredited implementing entities**National Implementing Entities (NIEs)**

1. Agencia de Cooperacion Internacional de Chile (Chile)
2. Agencia Nacional de Investigacion e Innovacion (Uruguay)
3. Agency for Agricultural Development (Morocco)
4. Centre de Suivi Ecologique (Senegal)
5. Desert Research Foundation of Namibia (Namibia)
6. Fundecooperacion Para el Desarrollo Sostenible (Costa Rica)
7. Mexican Institute of Water Technology (Mexico)
8. Ministry of Natural Resources (Rwanda)
9. Ministry of Planning and International Cooperation (Jordan)
10. National Bank for Agriculture and Rural Development (India)
11. National Environment Fund (Benin)
12. National Environment Management Authority (Kenya)
13. Peruvian Trust Fund for National Parks and Protected Areas (Peru)
14. Planning Institute of Jamaica (Jamaica)
15. Protected Areas Conservation Trust (Belize)
16. South African National Biodiversity Institute (South Africa)
17. Unidad para Cambio Rural (Argentina)

Multilateral Implementing Entities (MIEs)

1. African Development Bank (AfDB)
2. Asian Development Bank (ADB)
3. European Bank for Reconstruction and Development (EBRD)
4. Inter-American Development Bank (IDB)
5. International Fund for Agricultural Development (IFAD)
6. United Nations Development Programme (UNDP)
7. United Nations, Education, Scientific, and Cultural Organization (UNESCO)
8. United Nations Environment Programme (UNEP)
9. United Nations World Food Programme (WFP)
10. World Bank (International Bank for Reconstruction and Development)
11. World Meteorological Organization (WMO)

Regional Implementing Entities (RIEs)

1. Corporación Andina de Fomento (Latin America and the Caribbean)
2. Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (North, West and East Africa)
3. Secretariat of the Pacific Regional Environment Programme (the Pacific)
4. West African Development Bank (West Africa)

(In alphabetical order)

Annex IV: Project Funding Approvals by the Board during August 1, 2013 – July 31, 2014

AFB 22 Funding Decisions (30 October 2013)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Set-aside Funds	Decision
1. Projects and Programmes:											
	Benin	FNE	AFB/PPRC.13/9	8,244,255	669,000	8,913,255			8.1%		Not approved
	Kenya	NEMA	AFB/PPRC.13/10	9,279,556	720,331	9,999,886			7.8%		Not approved
	Rwanda	MINIRENA	AFB/PPRC.13/11	9,366,982	602,637	9,969,619			6.4%	9,969,619	Approved
	Nepal	WFP	AFB/PPRC.13/12	8,780,793	746,367			9,527,160	8.5%		Placed in pipeline
	Sub-total			35,671,586	2,738,335	28,882,760		9,527,160	7.7%	9,969,619	
2. Project Formulation											
	Chile	AGCI	AFB/PPRC.13/4/Add.1	30,000		30,000					Not approved
	Costa Rica	Fundecooperación	AFB/PPRC.13/5/Add.1	30,000		30,000				30,000	Approved
	Jordan	MOPIC	AFB/PPRC.13/6/Add.1	29,500		29,500				29,500	Approved
	Sub-total			89,500		89,500				59,500	
3. Concepts:											
	Chile	AGCI	AFB/PPRC.13/4	9,170,000	800,000	9,970,000			8.7%		Not endorsed
	Costa Rica	Fundecooperación	AFB/PPRC.13/5	9,220,000	750,000	9,970,000			8.1%		Endorsed
	Jordan	MOPIC	AFB/PPRC.13/6	8,503,000	723,000	9,226,000			8.5%		Endorsed
	Morocco	ADA	AFB/PPRC.13/7	10,000,000	0	10,000,000			0.0%		Not endorsed
	Indonesia	WFP	AFB/PPRC.13/8	5,477,000	463,375			5,940,375	8.5%		Endorsed
	Sub-total			42,370,000	2,736,375	39,166,000.0		0	6.5%		
4. Total (4 = 1 + 2 + 3)				78,131,086	5,474,709.8	68,138,260.3		9,527,160	7.0%	10,029,119	

AFB 23 Funding Decisions (19 March 2014)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Set-aside Funds	Decision
1. Projects and Programmes:											
	India (4)	NABARD	AFB/PPRC.14/9	544,333	46,268	590,601			8.5%		Not approved
	India (5)	NABARD	AFB/PPRC.14/10	571,877	48,610	620,487			8.5%		Not approved
	Kenya	NEMA	AFB/PPRC.14/11	9,278,085	720,217	9,998,302			7.8%		Deferred
	Indonesia	WFP	AFB/PPRC.14/12	5,525,959	469,707			5,995,666	8.5%		Placed in pipeline
	Sub-total			15,920,254	1,284,802	11,209,390		5,995,666	8.1%	0	
2. Project Formulation											
	India (1)	NABARD	AFB/PPRC.14/4/Add.1	29,900		29,900				29,900	Approved
	India (2)	NABARD	AFB/PPRC.14/5/Add.1	30,000		30,000				30,000	Approved
	India (3)	NABARD	AFB/PPRC.14/6/Add.1	29,700		29,700				29,700	Approved
	Morocco	ADA	AFB/PPRC.14/7/Add.1	30,000		30,000				30,000	Approved
	Sub-total			119,600		119,600				119,600	
3. Concepts:											
	India (1)	NABARD	AFB/PPRC.14/4	1,131,000	96,000	1,227,000			8.5%		Endorsed
	India (2)	NABARD	AFB/PPRC.14/5	1,601,718	136,146	1,737,864			8.5%		Endorsed
	India (3)	NABARD	AFB/PPRC.14/6	2,335,053	198,480	2,533,533			8.5%		Endorsed
	Morocco	ADA	AFB/PPRC.14/7	9,188,940	781,060	9,970,000			8.5%		Endorsed
	Federal States of Micronesia	SPREP	AFB/PPRC.14/8	8,668,125	711,875	9,380,000	9,380,000		8.2%		Not endorsed
	Sub-total			22,924,836	1,923,561	24,848,397	9,380,000	0	8.4%		
4. Total (4 = 1 + 2 + 3)				38,964,690	3,208,363	36,177,387	9,380,000	5,995,666	8.2%	119,600	

AFB Intersessional Decisions

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Set-aside Funds	Decision	Date
1. Projects and Programmes:												
	Guatemala	UNDP	AFB/PPRC.10/12	5,000,000	425,000			5,425,000	8.5%	5,425,000	Approved	19-Sep-13
	Uzbekistan	UNDP	AFB/PPRC.11/8	4,990,878	424,225			5,415,103	8.5%	5,415,103	Approved	20-Feb-14
	Cuba	UNDP	AFB/PPRC.10/10	5,592,000	475,320			6,067,320	8.5%	6,067,320	Approved	20-Feb-14
	Seychelles	UNDP	AFB/PPRC.10/15	5,950,000	505,750			6,455,750	8.5%	6,455,750	Approved	20-Feb-14
	Myanmar	UNDP	AFB/PPRC.10/14	7,289,425	619,601			7,909,026	8.5%	7,909,026	Approved	27-Feb-14
	Fiji	UNDP	AFB/PPRC.14-15/2	5,280,000	448,800			5,728,800	8.5%		Not approved	15-Jul-14
	Mauritania	WMO	AFB/PPRC.14-15/3	1,990,764	169,216			2,159,980	8.5%		Not approved	15-Jul-14
	Sub-total			36,093,067	3,067,912	0	0	39,160,979	8.5%	31,272,199		