



**Conference of the Parties serving as the meeting
of the Parties to the Kyoto Protocol**

Thirteenth session

Bonn, 6–17 November 2017

Agenda item 7(a)

Matters relating to the Adaptation Fund

Report of the Adaptation Fund Board

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Proposal by the President

Draft decision -/CMP.13

Report of the Adaptation Fund Board

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

Recalling decisions 1/CMP.3, 2/CMP.10, 1/CMP.11 and 2/CMP.12,

Also recalling the Paris Agreement, adopted under the Convention,

Further recalling decision 1/CP.21, paragraphs 59 and 60, and decision 1/CMA.1, paragraph 11,

1. *Takes note* of the annual report of the Adaptation Fund Board, and the information contained therein;¹
2. *Notes* the following information, actions and decisions relating to the Adaptation Fund Board presented in the report referred to in paragraph 1 above and in the oral report provided by the Chair of the Adaptation Fund Board at this session:²
 - (a) The accreditation of 26 national implementing entities for accessing resources from the Adaptation Fund directly;
 - (b) Cumulative project and programme approvals reaching USD 418.1 million as at 30 June 2017;
 - (c) The record number of project and programme proposals received from 2015 to 2017 and the rapidly increasing demand for funding;
 - (d) Funds available for new funding approvals amounting to USD 185.9 million as at 30 June 2017;

¹ FCCC/KP/CMP/2017/6.

² Available at http://unfccc.int/meetings/bonn_nov_2017/in-session/items/10494.php.



(e) The value of projects and programmes in the active pipeline estimated at USD 163.9 million as at 30 June 2017;

(f) The approval of funding decisions for readiness grants amounting to USD 275,000, consisting of USD 100,000 in South–South cooperation grants, USD 145,000 in technical assistance grants for the environmental and social policy and gender policy, and USD 30,000 in technical assistance grants for the gender policy;

(g) The approval of three regional (multi-country) projects, with total funding of USD 25.8 million, and the decision to continue financing regional projects and programmes beyond the Pilot Programme for Regional Projects and Programmes, launched in May 2015;

(h) The cumulative receipts of USD 649.5 million into the Adaptation Trust Fund, as at 30 June 2017, comprising USD 197.8 million from the monetization of certified emission reductions, USD 442.4 million from additional contributions and USD 9.3 million from investment income earned on the trust fund balance;

(i) The approval of the Ad hoc Complaint Handling Mechanism of the Adaptation Fund,³ established to promote the fund's accountability and help respond, through a participatory approach, to complaints raised against a project or programme financed by the fund;

(j) The adoption by the Adaptation Fund Board of a medium-term strategy for the Adaptation Fund;⁴

(k) The approval of 16 single-country project/programme proposals submitted by implementing entities, totalling USD 103.1 million, including 6 proposals submitted by national implementing entities, to the amount of USD 38.8 million, 5 proposals submitted by regional implementing entities, to the amount of USD 39.6 million, and 5 proposals submitted by multilateral implementing entities, to the amount of USD 24.6 million;

(l) The contributions received from 1 July 2016 to 30 June 2017, amounting to USD 97.6 million, from Germany, Italy, Sweden and the Brussels-Capital, Flanders and Walloon Regions of Belgium;

(m) The publication of a gender guidance document⁵ to assist implementing entities in complying with the fund's gender policy and action plan and in mainstreaming gender considerations;

(n) The 2017–2020 resource mobilization strategy⁶ being implemented by the Adaptation Fund Board;

3. *Also notes* the total amount of USD 81.4 million in contributions made to the Adaptation Fund in 2016, surpassing the fundraising target of the Adaptation Fund Board of USD 80 million for the 2016 calendar year;

4. *Welcomes* the financial pledges to the Adaptation Fund made by Germany, Ireland, Italy, Sweden and the Walloon Region of Belgium, equivalent to USD 93.3 million;

5. *Notes* that with the pledges mentioned in paragraph 4 above, the fundraising target of the Adaptation Fund Board of USD 80 million for the 2017 calendar year has been surpassed;

6. *Reiterates* its concern⁷ regarding the issues related to the sustainability, adequacy and predictability of funding for the Adaptation Fund due to the current uncertainty about the prices of certified emission reductions;

³ See https://www.adaptation-fund.org/wp-content/uploads/2016/12/Ad-Hoc-Complaint-Handling-Mechanism_final_March2017.pdf.

⁴ See https://www.adaptation-fund.org/wp-content/uploads/2017/10/AFB.B.30.5.Rev_.1-Draft-medium-term-strategy.pdf.

⁵ See <https://www.adaptation-fund.org/wp-content/uploads/2017/03/GenderGuidance-Document.pdf>.

⁶ See https://www.adaptation-fund.org/wp-content/uploads/2017/05/AFB_Resource_mobilization_strategy_for_posting.pdf.

⁷ Decision 2/CMP.12, paragraph 6.

7. *Encourages* the scaling-up of financial resources, including the provision of voluntary support, that is additional to the share of proceeds levied on certified emission reductions, in order to support the resource mobilization efforts of the Adaptation Fund Board with a view to strengthening the Adaptation Fund;
8. *Also encourages* the Adaptation Fund Board, in line with its existing mandate, to continue its consideration of linkages between the Adaptation Fund and other funds, and to report on the outcomes thereof to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session (December 2018);
9. *Further encourages* the Adaptation Fund Board to implement its medium-term strategy;⁸
10. *Encourages* the Adaptation Fund Board to continue its deliberations on enhancing and streamlining accreditation policies for implementing entities, including reaccreditation of previously accredited entities;
11. *Requests* the Adaptation Fund Board to make available, as part of its annual report, information on board meetings and other relevant developments that have taken place after the publication of the main part of the annual report;
12. *Decides* that the Adaptation Fund shall serve the Paris Agreement subject to and consistent with decisions to be taken at the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (December 2018), in line with decision 1/CMA.1, paragraph 11;
13. *Also decides* that it will consider whether the Adaptation Fund shall serve the Paris Agreement exclusively, under the guidance of and accountable to the Conference of the Parties serving as the meeting of Parties to the Paris Agreement, following a recommendation from the Conference of the Parties serving as the meeting of Parties to the Paris Agreement on this matter to the Conference of the Parties serving as the meeting of Parties to the Kyoto Protocol at its fifteenth session (November 2019);
14. *Notes* the progress of the Ad Hoc Working Group on the Paris Agreement in undertaking the necessary preparatory work to address governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement, including sources of funding, to be defined by Parties, and *looks forward* to the recommendations thereon from the Ad Hoc Working Group on the Paris Agreement in 2018;
15. *Recognizes* that the Adaptation Fund should continue to contribute to an enhanced, efficient and coherent climate finance architecture.

⁸ See Adaptation Fund Board document B.30/5/Rev.1.