

**Input from the Adaptation Committee to the Standing Committee on Finance
for the preparation of the draft decisions on
guidance to the operating entities of the Financial Mechanism**

#	AC Guidance		Rationale	Sources of information
1	Reiterates its invitation from decision 9/CMA.1, paragraph 20, to the GEF, in line with its existing mandate, to consider channelling support to developing country Parties for the preparation and submission of their adaptation communications, as a component of or in conjunction with other communications or documents, including a NAP, a NDC as referred to in Article 4, paragraph 2, of the Paris Agreement, and/or a national communication.		The AC would like to reiterate this invitation from decision 9/CMA.1, paragraph 20, in order to emphasize the importance of expediting support from the GEF to developing country Parties for the preparation and submission of their adaptation communications.	9/CMA.1
2	<i>Reiterates</i> its invitation from decision 12/CP.18, paragraph 5, to developed country Parties to further contribute to the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) to support the activities for the preparation of the process to formulate and implement national adaptation plans in accordance with decision 1/CP.16, including paragraph 18, and other relevant decisions of the Conference of the Parties, and <i>encourages</i> other Parties in a position to do		There were no new pledges to the SCCF from July 2020 to June 2021. According to information from paragraph 143 of the GEF report to the COP in 2021, support amounting to USD 5.1 million had been programmed to assist non-LDC developing countries with their country-driven processes to advance NAPs.	GEF report to COP in 2021

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	so, as well as relevant organizations, to also contribute to the LDCF and the SCCF.			
3	Invites accredited entities of the Green Climate Fund to strengthen efforts to support developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, in developing and submitting project proposals and for accessing funding from the Green Climate Fund for implementing adaptation policies, projects and programmes identified in their national adaptation plans or other strategies and plans.		Developing fundable projects, in particular to access international climate funds, was highlighted by many submissions to be difficult. Steps to address the gaps related to project development include training, technical assistance, mentoring and creating a community of practice with (write)workshops and retreats, in particular in developing countries, to incentivize experts to stay in posts and transfer their skills to others	AC paper on capacity gaps in accessing adaptation funding (AC20/INFO/7A, paras 24, 28)
4	Invites the GCF and the GEF within their existing modalities to continue coordinate efforts, including in collaboration with relevant organizations, in building capacity to support the developing countries in accessing adaptation funding.		Capacity-building measures to improve access to international climate funds, however, have a narrower scope since they are specifically targeted at institutions that are either designated, or decide, to seek accreditation to an international climate fund. While the activities are diverse (support in issuing call for proposals, administrative support in accreditation process), the impacts are likely to be limited to the entity receiving support.	AC paper on capacity gaps in accessing adaptation funding (AC20/INFO/7A)
5	Invites the GCF within, existing modalities, to consider ways to simplify and streamline procedures and modalities for accessing funding for adaptation for the developing country Parties, especially those		As above	As above

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	that are particularly vulnerable to the adverse effects of climate change			
6	Invites the GCF within its existing modalities and in partnership with relevant international organizations to enhance the provision of support for developing countries to collect, synthesize and analyze hydrological and meteorological data and related information in order to build the evidence base for proposed adaptation options and contribute to informed decision-making for both policies and programming		Submissions from Parties indicated that some of the main challenges in accessing adaptation funding include being able to establish the climate adaptation relevance, or “climate rationale” in the case of the GCF, partly owing to a lack of climate data, including insufficient vulnerability and climate risks assessment and partly owing to lack of skills and capacities needed in preparing the required (complex) project documentation; as well as proving a return on investment.	AC paper on capacity gaps in accessing adaptation funding (AC20/INFO/7A)
7	Notes the findings of the “Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund” by the GCF’s Independent Evaluation Unit, regarding the GCF’s adaptation approach and portfolio, and encourages the GCF to consider the recommendations from the report in its provision of support to the developing countries.		The GCF “ <i>Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund</i> ” report identifies several key findings that are critical for the GCF’s adaptation approach and portfolio, and provides evidence-based recommendations to the GCF Board and Secretariat.	Binet, Silvia, Matthijs De Bruijn, Daisuke Horikoshi, Rene Kim, Byungsook Lee, Max Markrich, Peter Mwandri, Kulthoum Omari-Motsumi, Martin Prowse and Galyna Uvarova (2021). <i>Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund</i> . Evaluation Report No. 9, February 2021. Independent Evaluation Unit, Green

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				Climate Fund. Songdo, South Korea.
8	Encourages the GCF Board to conclude its work on guidance on the approach and scope for providing support to adaptation activities, in line with decision 12/CP.25, paragraph 19(a), as an urgent priority.		<p>In decision 12/CP.25, the COP “<i>Encourages the Green Climate Fund to continue to enhance its support for adaptation and requests the Green Climate Fund to: (a) Swiftly conclude its work on guidance on the approach and scope for providing support to adaptation activities; and b) Continue to enhance its support for the implementation of national adaptation plans, in line with Board decisions on enhancing readiness programming;</i>”</p> <p>The GCF Board has not opened any agenda item related to concluding its work on guidance on the approach and scope for providing support to adaptation since COP25. This mandate was approved by the Board in Decision 17/10 adopted in 2017</p> <p>The Board mandated its Independent Evaluation Unit (IEU) to undertake an evaluation on the GCF’s support to adaptation. This Evaluation has not yet been considered by the Board.</p>	3/CP.17 12/CP.25 para 19
9	Reiterates the request to the GCF to balance the allocation of resources between adaptation and mitigation activities, and ensure an appropriate		The following conclusions of the yet to be considered IEU Evaluation on adaptation	Binet, Silvia, Matthijs De Bruijn, Daisuke Horikoshi, Rene Kim, Byungsuk Lee, Max

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	allocation of resources for other activities; as called for in decision 4/CP.19, para. 9(a).		<p>The adaptation portfolio has a large number of small size projects. Only 4 out of 67 funded GCF adaptation proposals are programmes. There is only one large-scale adaptation project; Mitigation projects are typically of significant scale with 71 percent of all mitigation projects categorized as large or medium compared to only 34 percent of all adaptation projects. It is concerning that the evaluation had further highlighted the gap between mitigation and adaptation.</p> <p>On average, adaptation projects take longer to complete the GCF approval process compared to mitigation. Adaptation projects on average take over two years, 109 days more than mitigation projects to conclude the project approval process, including a legal agreement, in addition to the delays in disbursement, which are additional challenges.</p> <p>The finding on the GCF's private sector engagement has emphasised the limited investable opportunities that generate a financial return, especially when compared to mitigation for private sector engagement as a result of higher upfront costs and</p>	<p>Markrich, Peter Mwandri, Kulthoum Omari-Motsumi, Martin Prowse and Galyna Uvarova (2021). <i>Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund</i>. Evaluation Report No. 9, February 2021. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea.</p>

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			<p>lack of predictability of the investments.</p> <p>40% of all registered adaptation projects are withdrawn during the review process. This has been as a result of the difficulty- data and legal arrangement. As noted in the survey, climate rationale is the single most difficult hurdle for project development in both adaptation and cross-cutting projects.</p>	