

**CO-FACILITATORS' DRAFT TEXT**  
**on**

**SBI 57 agenda item 18(b)**  
**Matters relating to the Adaptation Fund**  
**Fourth review of the Adaptation Fund**

**Version 10 November 2022 at 09:00**

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

*Recalling* decisions 2/CMP.13 and 4/CMP.16,

*Reiterating* the crucial importance of the Adaptation Fund as an essential channel for supporting adaptation action and a pioneer of direct access to adaptation finance, together with its focus on funding the full costs of concrete adaptation projects and programmes in developing countries,

*Noting with concern* the continued issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund, given the current prices of certified emission reductions, which affect its ability to fulfil its mandate,

*Noting* the importance of the full operationalization of Article 6 of the Paris Agreement in the context of scaling up the mobilization of Adaptation Fund resources,

*{Technical paper}*

1. *Takes note* of the technical paper on the fourth review of the Adaptation Fund,<sup>1</sup> which was prepared on the basis of the terms of reference for the review;<sup>2</sup>

*{Welcoming and recognizing work of the Adaptation Fund}*

2. *Recognizes* the positive results and performance of the Adaptation Fund, including its relevance, efficiency and effectiveness;

3. *Also recognizes* the comparative advantages of the Adaptation Fund, including the speed of project approval, strategic engagement of stakeholders at the subnational level, various institutional benefits, efficiency of institutional arrangements, enhancement of country ownership in the funding process, direct and regional access modalities and readiness programmes;

4. *Further recognizes* the lessons learned and progress made since the third review of the Adaptation Fund, including the launch of new funding windows,<sup>3</sup> the growth of the Fund's project portfolio and the update of the Fund's gender and evaluation policies;

5. *Encourages* the Adaptation Fund to strengthen ongoing efforts to improve policies and regulation and promote resilience measures and innovation;

*{Resources of the Adaptation Fund}*

6. *Welcomes* the increased contributions made to the Adaptation Fund during the fourth review period compared with the previous period;<sup>4</sup>

7. *Stresses* the importance of financial contributions to the Adaptation Fund, including in the context of at least doubling the collective provision of climate finance for adaptation from developed to developing countries as per decision 1/CMA.3, para. 18;

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<sup>1</sup> FCCC/TP/2022/1.

<sup>2</sup> Decision 4/CMP.16, annex.

<sup>3</sup> Enhanced direct access grants, learning grants, project scale-up grants, Adaptation Fund Climate Innovation Accelerator, and small and large innovation grants.

<sup>4</sup> Contributions during the period of the fourth review (2018–2021) amounted to USD 684 million, 272 per cent more than the contributions of USD 251.4 million during the period of the third review (2015–2017).

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8. *Calls* for continued and increased voluntary contributions of financial resources to the Adaptation Fund;

9. *Notes with concern* outstanding pledged contributions to the Adaptation Fund and *urges* Parties that have not fulfilled their pledges to the Fund to do so as soon as possible;

10. *Notes* the importance of further enhancing the predictability of resources channelled through the Adaptation Fund;

11. *Also notes* that multi-year contributions to the Adaptation Fund enhance the predictability of its funding, *acknowledges* that some developed country Parties have already committed to multi-year contributions to the Fund and *encourages* additional multi-year contributions to the Fund;

12. *Notes* the resource mobilization strategy of the Adaptation Fund (2017–2020),<sup>5</sup> which refers to subnational governments, the private sector and charitable foundations as possible additional sources of finance for the Adaptation Fund and *encourages* the Adaptation Fund Board to continue this effort to mobilize finance from a variety of sources;

*{Enhancing access}*

13. *Also encourages* the Adaptation Fund Board to continue to enhance access to the Fund, including by:

(a) Strengthening engagement with and support for building the institutional capacity of national implementing entities;

(b) Expediting the disbursement of approved adaptation grants;

(c) Further strengthening coherence and complementarity between the Adaptation Fund and other institutions funding adaptation projects and programmes, including the Green Climate Fund, in order to facilitate streamlining access modalities, including for accreditation, and scaling up Adaptation Fund projects;

(d) Further improving geographical and thematic coverage in the accreditation of national and regional implementing entities;

*{Reporting on impacts and results}*

14. *Requests* the Adaptation Fund Board to report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighteenth session (November 2023) on aggregated actual results of projects and programmes funded by the Adaptation Fund, in particular across the Fund's five core indicators, accompanied by qualitative analysis of successes, challenges and lessons learned;

*{Environmental and social policy}*

15. *Also requests* the Board to review and update the environmental and social policy of the Adaptation Fund, as needed;

*{Gender responsiveness}*

16. *Further requests* the Board to increase the gender-responsiveness of the resources provided by the Adaptation Fund;

*{Private sector engagement}*

17. *Invites* the Board to consider ways to strengthen the engagement of the Adaptation Fund with the private sector in order to increase private sector participation in adaptation action;

*{Regional engagement}*

18. *Also invites* the Board to strengthen the regional engagement of the Adaptation Fund so as to provide recipient countries with technical support in more than one official United Nations language;

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<sup>5</sup> See Adaptation Fund Board document AFB/B.32/Inf.6.

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*{Process for the fifth review of the Adaptation Fund}*

19. *Requests* the Subsidiary Body for Implementation at its sixty-second session (2025) to initiate the fifth review of the Adaptation Fund in accordance with the terms of reference contained in the annex to decision 4/CMP.16, or as amended, and to report back to its governing body at the session to be convened in conjunction with the thirty-first session of the Conference of the Parties (2026);

20. *Notes* the recommendation of the Subsidiary Body for Implementation<sup>6</sup> that subsequent reviews of the Adaptation Fund include a request for the secretariat to prepare a technical paper on the review, including inputs and submissions from Parties, for consideration by the Subsidiary Body for Implementation at its session that follows the adoption of the relevant terms of reference, to allow for substantive engagement.

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<sup>6</sup> FCCC/SBI/2022/10, para. 113.