

DRAFT TEXT
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SBI 63 agenda item 16(a)
Matters relating to the Adaptation Fund
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[Decision on the arrangements of the Adaptation Fund to exclusively serve the Paris Agreement][Decision on Matters relating to the Adaptation Fund]

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

Recalling decisions 1/CMP.3, 1/CMP.4, 2/CMP.10, 1/CMP.11, 2/CMP.12, 1/CMP.13, 1/CMP.14, 3/CMP.15, 3/CMP.16, 4/CMP.17 3/CMP.18 and 2/CMP.19,

Also recalling decision 13/CMA.1,

1. *Decides* that the Adaptation Fund shall transition to exclusively serving the Paris Agreement as soon as the Adaptation Fund receives written notification from the trustee of the Fund that the trustee has monetized the first share of proceeds under Article 6, paragraph 4, of the Paris Agreement and the resulting funds are in the account available for use by the Adaptation Fund;
2. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session (November 2025) to request the Adaptation Fund Board to develop and conclude, as soon as possible, new terms and conditions of services to be provided by the World Bank as trustee of the Adaptation Fund serving the Paris Agreement with a view to ensuring that:
 - (a) The share of proceeds under Article 6, paragraph 4, of the Paris Agreement can be promptly monetized;
 - (b) The Adaptation Fund is able to accept voluntary contributions, including of resources for adaptation under Article 6, paragraph 2, of the Paris Agreement;
 - (c) Remaining assets of the Adaptation Fund accrued from its operations under the Kyoto Protocol, and eligible certified emission reductions under the clean development mechanism, are transferred to, and continue to be assets of, the Adaptation Fund operating under the Paris Agreement;
3. *Decides* to terminate the terms and conditions of services provided by the World Bank as interim trustee of the Adaptation Fund, as contained in annex III to decision 1/CMP.4 and amended in decisions 5/CMP.6, 1/CMP.9, 1/CMP.10, 2/CMP.12 and 3/CMP.15, in accordance with paragraph 34 of those terms and conditions, after the new terms and conditions referred to in paragraph xx above come into effect with a view to ensuring a smooth transition of the Adaptation Fund to exclusively serving the Paris Agreement;
4. *Confirms* its intention for the secretariat services provided to the Adaptation Fund Board to continue seamlessly after the transition of the Adaptation Fund to exclusively serving the Paris Agreement;
5. *Authorizes* the Adaptation Fund Board to enter into the existing 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 the provision of secretariat services to the Adaptation Fund Board¹ and thereby replace the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, subject to the agreement of the Council of the Global Environment Facility, after the transition of the Adaptation Fund to exclusively serving the Paris Agreement;

¹ Annex III to the addendum to the 2019 report of the Adaptation Fund Board (FCCC/KP/CMP/2019/4/Add.1–FCCC/PA/CMA/2019/2/Add.1, annex).

6. *Requests* the Adaptation Fund Board, with the assistance of its secretariat, to develop and conclude the necessary arrangements with the Global Environment Facility to continue the memorandum of understanding referred to in paragraph XX above after the transition of the Adaptation Fund to exclusively serving the Paris Agreement, and to provide any updates on the progress of developing and concluding such arrangements in its report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

7. *Invites* the Council of the Global Environment Facility to confirm that it agrees to continue the existing memorandum of understanding referred to in paragraph XX above, with the Adaptation Fund Board taking the place of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, after the transition of the Adaptation Fund to exclusively serving the Paris Agreement;

8. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to request the Adaptation Fund Board to make recommendations, as needed, relating to necessary adjustments to the governance arrangements of the Adaptation Fund for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its XX session;

[Separate decision on Membership of the Adaptation Fund Board][Continuation of decision on Matters relating to the Adaptation Fund]

Option 1

- *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its seventh session, to decide that the composition and number of members of the Adaptation Fund Board will remain unchanged upon the Adaptation Fund's transition to exclusively serving the Paris Agreement;
- *Also invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its seventh session, to decide to apply, effective upon the Adaptation Fund's transition to exclusively serving the Paris Agreement, paragraph 6(d–e) of decision 1/CMP.3 with respect to the composition of the Adaptation Fund Board, with the terminology with reference to the representation of groups of Parties amended to align with the terminology under the Paris Agreement;

Option 2

- *Decides* to invite the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to consider this matter at its first session following the transition of the Adaptation Fund to exclusively serving the Paris Agreement;

Option 3

- *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its seventh session, to decide that the composition of the Adaptation Fund Board, the number of Board members and the procedure of their nomination will remain unchanged;

Option 4

- *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its seventh session, to decide that the composition and number of members of the Adaptation Fund Board will remain unchanged upon the Adaptation Fund's transition to exclusively serving the Paris Agreement;

- *Also invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its seventh session, to decide to apply, effective upon the Adaptation Fund's transition to exclusively serving the Paris Agreement, paragraph 6(d–e) of decision 1/CMP.3 with respect to the composition of the Adaptation Fund Board with the following changes:
 - (a) in paragraph 6(d) “Parties included in Annex I to the Convention (Annex I Parties)” shall read “developed country Parties”;
 - (b) in paragraph 6(e), “Parties not included in Annex I to the Convention (non-Annex I Parties)” shall read “developing country Parties”.²

[Separate decision on Fifth review of the Adaptation Fund][Continuation of decision on Matters relating to the Adaptation Fund]

Option 1

- *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to undertake the fifth review of the Adaptation Fund following the transition of the Adaptation Fund to exclusively serving the Paris Agreement.

Option 2

- *Notes* the initiation of the fifth review of the Adaptation Fund by the Subsidiary Body for Implementation at its sixty-third session in accordance with the terms of reference contained in the annex to decision 4/CMP.16;
- *Confirms* that the Subsidiary Body for Implementation shall complete its work on the fifth review of the Adaptation Fund at its sixty-fifth session (November 2026), while welcoming the participation of Parties to the Paris Agreement;
- *Decides* that the fifth review of the Adaptation Fund will be undertaken in accordance with paragraph 33 of decision 1/CMP.3 and the terms of reference contained in the annex to decision 4/CMP.16;
- *Invites* Parties to the Kyoto Protocol, Parties to the Paris Agreement and observer organizations, as well as interested international organizations, non-governmental organizations and other stakeholders involved in the activities of the Adaptation Fund, including implementing entities accredited by the Adaptation Fund Board, to submit via the submission portal³ by 31 March 2026 views on the fifth review of the Adaptation Fund on the basis of the terms of reference contained in the annex to decision 4/CMP.16 for consideration at SBI 64 (June 2026);
- *Requests* the UNFCCC secretariat, in collaboration with the Adaptation Fund Board secretariat, to prepare a technical paper on the fifth review of the Adaptation Fund, in accordance with the terms of reference contained in the annex to decision 4/CMP.16, taking into account inputs and submissions from Parties referred to in para. XX above, for consideration at SBI 65 (November 2026) to facilitate substantive engagement in the review;

² This does not alter the status of countries, nor does it prejudice future negotiating positions or views of Parties in this regard.

³ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

- *Agrees*, if the share of proceeds under Article 6, paragraph 4, of the Paris Agreement has not become available by the twenty-first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (November 2026), to invite the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to consider the outcomes of the fifth review at its eighth session (November 2026);
- *Also agrees*, if the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available by the twenty-first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, to invite the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its eighth session, to consider and transmit, as appropriate, the outcomes of the review to the Adaptation Fund Board;
- *Decides* that the work of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol on the fifth review of the Adaptation Fund shall conclude at the twenty-first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

[Decision on the arrangements of the Adaptation Fund to exclusively serve the Paris Agreement][Decision on Matters relating to the Adaptation Fund]

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling decisions 1/CMP.3, 1/CMP.4, 2/CMP.10, 1/CMP.11, 2/CMP.12, 1/CMP.13, 1/CMP.14, 3/CMP.15, 3/CMP.16, 4/CMP.17, 3/CMP.18 and 2/CMP.19,

Also recalling decisions 13/CMA.1, 1/CMA.3, paragraph 18, 13/CMA.3, 18/CMA.4, 12/CMA.5 and 13/CMA.6,

1. *Requests* the Adaptation Fund Board to develop and conclude, as soon as possible, new terms and conditions of services to be provided by the World Bank as trustee of the Adaptation Fund serving the Paris Agreement with a view to ensuring that:

(a) The share of proceeds under Article 6, paragraph 4, of the Paris Agreement can be promptly monetized;

(b) The Adaptation Fund is able to accept voluntary contributions, including of resources for adaptation under Article 6, paragraph 2, of the Paris Agreement;⁴

(c) Remaining assets of the Adaptation Fund accrued from its operations under the Kyoto Protocol, and eligible certified emission reductions under the clean development mechanism, are transferred to, and continue to be assets of, the Adaptation Fund operating under the Paris Agreement;

2. *Invites* the World Bank to develop and conclude, in collaboration with the Adaptation Fund Board, the new terms and conditions referred to in paragraph XX above;

3. *Endorses* paragraph XX of decision -/CMP.20,⁵ in which the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol authorized the Adaptation Fund Board to enter into the existing 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 the provision of secretariat services to the Adaptation Fund Board and thereby replace the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, subject to the agreement of the Council of the Global Environment Facility, after the transition of the Adaptation Fund to exclusively serving the Paris Agreement;

4. *Confirms* that decisions taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol with respect to the Adaptation Fund, including with regard to its institutional arrangements, operational modalities and access modalities, shall apply mutatis mutandis under the Paris Agreement after the transition of the Adaptation Fund to exclusively serving the Paris Agreement;

5. *Requests* the Adaptation Fund Board to make recommendations, as needed, once the Adaptation Fund exclusively serves the Paris Agreement, relating to necessary adjustments to the governance arrangements of the Adaptation Fund for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its XX session.

[Separate decision Membership of the Adaptation Fund Board][Continuation of decision on Matters relating to the Adaptation Fund]

Option 1

⁴ Pursuant to decision 2/CMA.3, annex, para. 37.

⁵ Draft decision entitled “XX” proposed under agenda item 6 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its 20th session.

- *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its seventh session, to decide that the composition and number of members of the Adaptation Fund Board will remain unchanged upon the Adaptation Fund's transition to exclusively serving the Paris Agreement;
- *Decides* to apply, effective upon the Adaptation Fund's transition to exclusively serving the Paris Agreement, paragraph 6(d–e) of decision 1/CMP.3 with respect to the composition of the Adaptation Fund Board, with the terminology with reference to the representation of groups of Parties amended to align with the terminology under the Paris Agreement;;

Option 2

- *Decides* to invite the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to consider this matter at its first session following the transition of the Adaptation Fund to exclusively serving the Paris Agreement;

Option 3

- *Decides* that the composition of the Adaptation Fund Board, the number of Board members and the procedure of their nomination will remain unchanged;

Option 4

- *Decides* that the composition and number of members of the Adaptation Fund Board will remain unchanged upon the Adaptation Fund's transition to exclusively serving the Paris Agreement;
- *Also decides* to apply, effective upon the Adaptation Fund's transition to exclusively serving the Paris Agreement, paragraph 6(d–e) of decision 1/CMP.3 with respect to the composition of the Adaptation Fund Board with the following changes:
 - (a) in paragraph 6(d) “Parties included in Annex I to the Convention (Annex I Parties)” shall read “developed country Parties”;
 - (b) in paragraph 6(e), “Parties not included in Annex I to the Convention (non-Annex I Parties)” shall read “developing country Parties”.⁶

[Separate decision on Fifth review of the Adaptation Fund][Continuation of decision on Matters relating to the Adaptation Fund]

Option 1

- *Agrees* to undertake the fifth review of the Adaptation Fund following the transition of the Adaptation Fund to exclusively serving the Paris Agreement and *requests* the Subsidiary Body for Implementation to initiate the review at its first session following the transition with a view to recommending a draft decision thereon to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its session the following year.

Option 2

- No text *under* CMA.

⁶ This does not alter the status of countries, nor does it prejudice future negotiating positions or views of Parties in this regard.