

DRAFT TEXT
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Matters relating to the Adaptation Fund
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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 and 4/CMP.17,

Also recalling decisions 13/CMA.1 and 1/CMA.3, paragraph 18,

1. *Welcomes* the annual report of the Adaptation Fund Board for 2023, including its addendum, and the information 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:

(a) The approval of an implementation plan² for the Medium-Term Strategy of the Adaptation Fund for 2023–2027³ that focuses on promoting locally led adaptation, scaling up projects and replicating their results, and strengthening linkages and synergies between the Strategy’s pillars of action, innovation, and learning and sharing;

(b) The adoption of a resource mobilization target for 2023 of USD 300 million, to come from a greater number of contributors than for the previous year;

(c) The adoption of an enhanced proposal submission process to expedite the review of the increasing number of funding proposals and enable implementing entities to submit proposals under all funding windows of the Adaptation Fund on a rolling basis;

(d) Cumulative receipts of USD 1,517.20 million, as at 30 June 2023, into the Adaptation Fund Trust Fund, comprising USD 214.92 million from the monetization of certified emission reductions, USD 1,232.96 million from contributions and USD 69.31 million from investment income earned on the Trust Fund balance;

(e) Contributions of USD 282.15 million, of which USD 3.12 million from the monetization of certified emission reductions, USD 250.97 million from additional contributions and USD 28.06 million from investment income, received between 1 July 2022 and 30 June 2023;

(f) New pledges amounting to USD [xx] million, of which USD [xx] million [from XX contributors] received as at [date], towards the Adaptation Fund resource mobilization target of USD 300 million[and more than [xx] contributors] for 2023;

(g) Outstanding pledged contributions of USD [213.96] million as at [date], including USD [18.51] million under signed agreements;

(h) An increase in cumulative project and programme approvals of approximately 14 per cent, to USD 1,060.75 million, between 1 July 2022 and 30 June 2023;

(i) The development of options for an Adaptation Fund policy on safeguarding against sexual exploitation and abuse and sexual harassment;⁴

¹ FCCC/KP/CMP/2023/2–FCCC/PA/CMA/2023/6 and Add.1.

² See Adaptation Fund Board document AFB/B.40/5/Rev.1.

³ See Adaptation Fund Board document AFB/B.39/5/Rev.2.

⁴ See <https://www.adaptation-fund.org/document/options-for-a-policy-on-safeguarding-against-sexual-exploitation-and-abuse-and-sexual-harassment-seah/>.

(j) The continued implementation of the updated gender policy and action plan of the Adaptation Fund;

(k) The continued enhancement of complementarity and coherence with other climate funds and building of linkages with other UNFCCC constituted bodies;

(l) The consideration of options for reducing the carbon footprint of the Adaptation Fund;

(m) The development of knowledge products and learning activities;⁵

3. *Welcomes* the financial pledges made towards the Adaptation Fund resource mobilization target of USD 300 million[and more than [xx] contributors] in 2023 by the Governments of Denmark, France, Germany, Iceland, Luxembourg, Norway, the Republic of Korea, Spain, Sweden and Switzerland, as well as the governments of the Brussels and Walloon Regions of Belgium, the provincial government of Quebec and the United Nations Foundation, [placeholder for additional pledges] equivalent to USD 159.24 million;

4. *Notes [with concern]* the outstanding pledged contributions to the Adaptation Fund and *urges* Parties to fulfil their pledges as soon as possible;

5. *Encourages* continued and increased voluntary contributions of financial resources to the Adaptation Fund in line with its resource mobilization strategy for 2022–2025, recalling the target for 2023 of USD 300 million and a greater number of contributors than for the previous year;

6. *Underscores* the urgency of scaling up financial resources, including the provision of voluntary support, that are 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;

7. *Emphasizes* the importance of continuing to take action to promote the adequacy and predictability of adaptation finance, including through multi-year contributions, taking into account the role of the Adaptation Fund in delivering dedicated support for adaptation;

8. *Stresses* the importance of financial contributions to the Adaptation Fund, including in the context of urging developed country Parties to at least double their collective provision of climate finance for adaptation to developing countries from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources, recalling Article 9, paragraph 4, of the Paris Agreement, as per decision 1/CMA.3, paragraph 18;]

9. *Acknowledges* the work of the Adaptation Fund in relation to concrete adaptation action in the least developed countries and small island developing States and *requests* the Adaptation Fund Board to continue supporting such action;

10. *Urges* the Adaptation Fund to expedite the accreditation of national implementing entities and the implementation of the projects and programmes in its pipeline;

11. *Requests* the Adaptation Fund to focus its readiness activities on national implementing entities considering their long-term capacity-building needs and the maximization of benefits for the most vulnerable communities;

12. *Acknowledges* the important role of the Adaptation Fund in [meeting the commitment of doubling adaptation finance] [the context of decision 1/CMA.3, paragraph 18, in which developed country Parties were urged to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context

⁵ Including a training course on enhanced direct access; a study on the role of national financial institutions and trust funds in providing climate adaptation – lessons learned from the Adaptation Fund; a study on strengthening resilience through disaster risk reduction and early warning systems; a study on climate change adaptation in fragile and conflict-affected countries; an event during the Adaptation Futures 2023 Conference in Montreal, Canada; a project monitoring mission in Peru; and participation in the 2023 RedLAC Congress in Cusco, Peru.

of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources, recalling Article 9, paragraph 4, of the Paris Agreement;]

13. *Requests* the Adaptation Fund Board to continue to enhance access to the Fund and country ownership by:

(a) Strengthening the institutional capacity of national implementing entities and expediting their accreditation as well as the approval of projects and programmes in the pipeline;

(b) Enhancing engagement between regional implementing entities and developing countries on regional, multi-country project design and implementation;

14. *Notes with appreciation* the information in the report referred to in paragraph 1 above on aggregated actual results of projects and programmes funded by the Adaptation Fund, in particular across the Fund's five core indicators, and the qualitative analysis of successes, challenges and lessons learned and *requests* the Adaptation Fund Board to continue providing such information on an annual basis;

15. *Encourages* the achievement of the goals set out in the Medium-Term Strategy of the Adaptation Fund for 2023–2027 with the expectation that its implementation will generate significant outcomes in terms of promoting locally led adaptation, scaling up projects and replicating their results, and strengthening linkages and synergies between the Strategy's strategic pillars of action, innovation, and learning and sharing;

16. *Welcomes* the progress of implementation of the updated gender policy and action plan of the Adaptation Fund and the commencement of the pilot phase of application of the Adaptation Fund gender scorecard and *requests* the Adaptation Fund Board to increase the gender-responsiveness of the resources provided by the Adaptation Fund;

17. [*Recalls* its request to the Adaptation Fund Board to consider, in line with its mandate and decision 1/CMP.3, providing support for country-driven adaptation projects and programmes in developing countries with a view to assisting them in enhancing implementation of their national adaptation plans and other voluntary adaptation planning processes and *requests* the Board to consider increasing the cap on allocation per country;]

18. *Encourages* the Adaptation Fund Board to consider ways to take into account conflict and fragility in the work of the Adaptation Fund;

19. *Welcomes* the work of the Adaptation Fund Board on complementarity and coherence with other multilateral climate funds with respect to accreditation and other areas of operations and *encourages* the Board to continue this work with a view to further streamlining access modalities across funds, as appropriate;

20. [*Invites* the Adaptation Fund Board to increase the resources allocated through the Medium-Term Strategy of the Adaptation Fund for 2023–2027 to enable countries to access funding for implementing adaptation projects and plans, including with respect to the Board determining and undertaking its work in a transformational manner and not simply under isolated projects;]

21. *Recalls* paragraph 7 of decision 3/CMP.16, which confirms that Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board;

22. *Requests* the Subsidiary Body for Implementation to continue consideration of matters relating to membership of the Adaptation Fund Board at its sixtieth session (June 2024), as needed, in view of the Adaptation Fund's transition to exclusively serving the Paris Agreement;

23. *Encourages* the Adaptation Fund Board to continue consideration of its rules of procedure in the context of serving the Paris Agreement, including after the Subsidiary Body for Implementation has concluded consideration of matters relating to membership of the Adaptation Fund Board;

24. [*Also encourages* the Adaptation Fund Board to continue preparing for the Adaptation Fund's transition to exclusively serving the Paris Agreement in line with decisions 1/CMP.14 and 13/CMA.1.]