

## Draft decision -/CMA.4

### 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 and 3/CMP.16,

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

1. *Takes note* of the annual report of the Adaptation Fund Board for 2022, including its addendum, and the information therein;<sup>1</sup>

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 accreditation of 1 national implementing entity and 2 regional implementing entities (with the national implementing entities granted direct access to resources from the Adaptation Fund), resulting in a total number of accredited implementing entities of 34 national (of which 10 in the least developed countries and 7 in small island developing States), 14 multilateral and 9 regional implementing entities, of which 33 were reaccredited (17 national implementing entities, 5 regional implementing entities and 11 multilateral implementing entities) for accessing resources from the Adaptation Fund directly;

(b) Cumulative receipts of USD 1,235.06 million, as at 30 June 2022, into the Adaptation Fund Trust Fund, comprising USD 211.80 million from the monetization of certified emission reductions, USD 982.00 million from contributions and USD 41.26 million from investment income earned on the Trust Fund balance;

- Contributions of USD 127.65 million, of which USD 3.42 million from the monetization of certified emission reductions, USD 123.18 million from additional contributions and USD 1.05 million from investment income, received between 1 July 2021 and 30 June 2022;

(c) Contributions amounting to USD 123.18 million received between 1 July 2021 and 30 June 2022 and new pledges amounting to USD 349.00 million, of which USD 174.40 million received as at 8 November 2022, towards the Adaptation Fund resource mobilization target of USD 120.00 million per year for the biennium 2020–2021;

(d) Outstanding pledged contributions of USD 174.60 million as at 8 November 2022;

(e) Resources available for new funding approvals amounting to USD 219.25 million as at 30 June 2022;

(f) New funding approvals, including for concrete single-country and regional (multi-country) proposals, grant proposals under the Medium-Term Strategy of the Adaptation Fund for 2018–2022<sup>2</sup> and readiness grants, amounting to USD 94.10 million as at 30 June 2022;

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<sup>1</sup> FCCC/KP/CMP/2022/4–FCCC/PA/CMA/2022/3 and Add.1.

<sup>2</sup> See Adaptation Fund Board document AFB/B.39/5/Rev.2.

- (g) An active pipeline of project and programme proposals amounting to USD 333.70 million as at 30 June 2022, reflecting an upward trend from previous years;
- (h) Cumulative project and programme approvals increasing by around 11 per cent to USD 929.72 million between 1 July 2021 and 30 June 2022;
- (i) The approval of eight single-country project or programme proposals submitted by implementing entities, totalling USD 53.00 million, of which two proposals submitted by national implementing entities, amounting to USD 1.80 million; one single-country proposal submitted by a regional implementing entity, amounting to USD 10.00 million; and five single-country proposals submitted by multilateral implementing entities, totalling USD 41.30 million;
- (j) The approval of three multi-country projects, amounting to USD 39.90 million;
- (k) Cumulative disbursements to the 132 projects approved since the operationalization of the Adaptation Fund amounting to USD 567.84 million, including USD 76.40 million disbursed between 1 July 2021 and 30 June 2022;
- (l) The implementation of 80 projects, of which 5 initiated and 10 completed, between 1 July 2021 and 30 June 2022;
- (m) The approval of two small-grant proposals for innovation amounting to USD 0.50 million and one learning grant amounting to USD 0.15 million as well as the commencement of the second year of implementation of the Adaptation Fund Climate Innovation Accelerator;
- (n) Access for developing countries to the Adaptation Fund Climate Innovation Accelerator through the United Nations Development Programme, in addition to through the United Nations Environment Programme and the Climate Technology Centre and Network for countries without national implementing entities;
- (o) New activities under the Medium-Term Strategy of the Adaptation Fund for 2018–2022, including the approval of large grants for innovation, a funding window for enhanced direct access and guidance for implementing entities;
- (p) The launch of a virtual learning course on accessing project scale-up grants, the publication of knowledge products on key emerging themes in relation to climate adaptation, including transboundary approaches and youth engagement, and the streamlining of the Adaptation Fund accreditation process;
- (q) The organization of readiness events, held virtually, for accredited national implementing entities, including seminars, workshops and learning events on accessing Adaptation Fund grants, innovation, global accreditation and enhanced direct access, and a country exchange for South–South learning;
- (r) The approval of the 2022–2025 resource mobilization strategy<sup>3</sup> and the resource mobilization action plan<sup>4</sup> of the Adaptation Fund;
- (s) The approval of options for enhancing civil society participation and engagement in Adaptation Fund work;

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<sup>3</sup> See Adaptation Fund Board document AFB/B.39/6/Add.1/Rev.2.

<sup>4</sup> See Adaptation Fund Board document AFB/B.39/6/Add.1/Rev.1.

(t) The approval of the Adaptation Fund evaluation policy,<sup>5</sup> which replaces the current evaluation framework, and the work of the Technical Evaluation Reference Group of the Adaptation Fund on the first evaluation of the Adaptation Fund;

(u) The application of the updated Adaptation Fund gender policy and action plan and the consideration of ways to advance gender equality and the empowerment of women and girls in relation to addressing climate change;

(v) The approval by the Adaptation Fund Board of the amendments to the strategic priorities, policies and guidelines, and operational policies and guidelines of the Adaptation Fund;<sup>6</sup>

(w) The promotion of linkages of the Adaptation Fund with other UNFCCC bodies, such as the Adaptation Committee, the Climate Technology Centre and Network, the Global Environment Facility, the Green Climate Fund, the Paris Committee on Capacity-building and the Standing Committee on Finance, with the Adaptation Fund Board having progressed in establishing linkages between the Adaptation Fund and the Green Climate Fund, including through a framework for promoting the scale-up of funded projects and the Community of Practice for Direct Access Entities;

(x) The adoption of the Medium-Term Strategy of the Adaptation Fund for 2023–2027;

3. *Welcomes* the financial pledges to the Adaptation Fund made by the Governments of Austria, France, Germany, Iceland, Ireland, Japan, New Zealand, Norway, Portugal, Republic of Korea, Spain, Sweden, Switzerland and the United States of America, as well as the government of the Walloon Region of Belgium and the provincial government of Quebec, equivalent to USD 211.58 million;

4. *Stresses* the urgency of enhancing ambition and action in relation to adaptation and adaptation finance in this critical decade to achieve the global goal on adaptation and the goals of the Paris Agreement;

5. *Notes* the outstanding pledged contributions to the Adaptation Fund and *urges* Parties to fulfil their pledges as soon as possible;

6. *Encourages* continued and increased voluntary contributions of financial resources to the Adaptation Fund in line with the 2022–2025 resource mobilization strategy of the Fund;

7. *Recalls* the invitation of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement<sup>7</sup> to developed country Parties to consider multi-annual pledges to the Fund;

8. *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;

9. *Emphasizes* the importance of continuing to take actions to promote the adequacy and predictability of adaptation finance, taking into account the role of the Adaptation Fund in delivering dedicated support for adaptation;

10. *Invites* developed country Parties, including in the context of decision 1/CMA.3, paragraphs 16–18, to scale up their financial contributions to the Adaptation Fund;

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<sup>5</sup> See Adaptation Fund Board document AFB/EFC.29/6/Rev.1.

<sup>6</sup> See decision 3/CMP.16, para. 6.

<sup>7</sup> See decision 1/CMA.3, para. 16.

11. *Notes with appreciation* the work of the Adaptation Fund Board on adopting the amended operational policies and guidelines<sup>8</sup> for Parties to access resources from the Adaptation Fund and *welcomes* the amended strategic priorities, policies and guidelines of the Adaptation Fund;<sup>9</sup>

12. *Requests* the Adaptation Fund Board, in line with its existing mandate and decisions 1/CMP.3 and 1/CMP.4, to consider and provide an update on its activities and scope of support in relation to assisting developing country Parties to the Paris Agreement, including information on:

(a) Actions in relation to needs and priorities identified in adaptation planning processes, including national adaptation plans, nationally determined contributions, adaptation communications and other voluntary adaptation reports, taking into consideration gaps and challenges faced by countries;

(b) Institutional capacity-building in countries aimed at enhancing access to the Adaptation Fund;

(c) Efforts to support the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the global temperature goal referred to in Article 2 of the Paris Agreement;

13. *Also requests* the Adaptation Fund Board to include in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November 2023) an update on its progress in assisting developing country Parties in meeting their adaptation commitments under the Paris Agreement;

14. *Recalls* decision 4/CMP.16, paragraph 3, and *takes note* of decision -/CMP.17;<sup>10</sup>

15. *Underlines* decision 4/CMP.16, paragraph 6, whereby Parties to the Conference of the Parties serving as meeting of the Parties to the Paris Agreement were welcomed to participate in the fourth review of the Adaptation Fund;

16. *Encourages* the Adaptation Fund to support developing country Parties that are particularly vulnerable to the adverse effects of climate change, in particular the least developed countries and small island developing States, in implementing their national adaptation plans and adaptation communications, including those submitted as adaptation components of nationally determined contributions;

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

18. *Requests* the Subsidiary Body for Implementation to continue consideration of matters relating to membership of the Adaptation Fund Board at its fifty-eighth session (June 2023) as needed, in view of the Adaptation Fund's transition to exclusively serve the Paris Agreement;

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

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<sup>8</sup> See Adaptation Fund Board document AFB/B.39/9/Add.2.

<sup>9</sup> See Adaptation Fund Board document AFB/B.39/9/Add.1.

<sup>10</sup> Draft decision entitled "Fourth review of the Adaptation Fund" proposed under agenda item 7(b) of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventeenth session.

20. *Takes note* of the Board's work 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 to streamline access modalities for project approval and the interoperability of reporting requirements, as appropriate;

21. *Invites* the Board to adopt a policy on safeguarding against sexual exploitation and abuse and sexual harassment.

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