Draft decision -/CMP.16

Fourth review of the Adaptation Fund

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

Recalling decisions 1/CMP.3, 6/CMP.6, 2/CMP.9, 2/CMP.10 and 1/CMP.14,

Also recalling decision 1/CP.21,

Further recalling decision 13/CMA.1,

1. Decides that the fourth review of the Adaptation Fund will be undertaken in accordance with decision 1/CMP.3, paragraph 33, and the terms of reference contained in the annex;

2. Requests the Adaptation Fund Board to make available in its report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventeenth session (November 2022) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022) information on the financial status of the Adaptation Fund, including information on the share of proceeds levied on first international transfers of assigned amount units and emission reduction units for Article 6 projects of the Kyoto Protocol, in accordance with decision 1/CMP.8, paragraph 21, with a view to the fourth review of the Adaptation Fund being finalized at the same session;

3. Invites Parties to the Kyoto Protocol, Parties to the Paris Agreement and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund, and implementing entities accredited by the Adaptation Fund Board, to submit their views on the fourth review of the Adaptation Fund based on the terms of reference set out in the annex via the submission portal1 by 31 March 2022 for consideration by the Subsidiary Body for Implementation at its fifty-sixth session (June 2022);

4. Takes note of decision 13/CMA.1, stating that the Adaptation Fund shall serve under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to the decision2 on this matter made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and notes decision 1/CMP.14, in which it decided, inter alia, to ensure that developing country Parties and developed country Parties that are Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board;

5. Requests the secretariat, in collaboration with the Adaptation Fund Board secretariat, to prepare a technical paper on the fourth review of the Adaptation Fund, in accordance with the terms of reference set out in the annex, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fifty-sixth session and the submissions referred to in paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its fifty-seventh session (November 2022);

6. Also requests the Subsidiary Body for Implementation to complete its work on the fourth review of the Adaptation Fund at its fifty-seventh session, while welcoming the participation of Parties to the Paris Agreement, with a view to recommending a draft decision on the matter for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventeenth session;

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1 https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx
2 Decision 1/CMP.14.
7. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to consider the outcomes of the review at its fourth session.
Annex

Terms of reference for the fourth review of the Adaptation Fund

I. Objective

1. The objective of the fourth review of the Adaptation Fund is to ensure the effectiveness, sustainability and adequacy of the Fund and its operations.

II. Scope

2. The scope of the review will cover the progress made to date and lessons learned in the operationalization and implementation of the Fund and it will focus on, inter alia:

   (a) The provision of sustainable, predictable, accessible and adequate financial resources and the mobilization of financial resources to fund concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing country Parties;

   (b) Lessons learned from:

      (i) The application of the access modalities of the Adaptation Fund, including its operational policies and guidelines, including its Streamlined Accreditation Process;

      (ii) The project approval procedures of the Adaptation Fund and timeliness of disbursement of approved adaptation grants;

      (iii) The results and impacts of approved adaptation projects and programmes;

      (iv) The readiness programme for direct access to climate finance, including lessons learned from South–South cooperation and enhanced direct access grants;

      (v) The programme for regional projects;

      (vi) The Innovation Facility;

   (c) Programming and project coherence and complementarity between the Adaptation Fund and other institutions funding adaptation projects and programmes, in particular institutions under the Convention and the operating entities of the Financial Mechanism and its specialized funds;

   (d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

III. Sources of information

3. The review shall draw upon, inter alia, the following sources of information:

   (a) Submissions from Parties to the Kyoto Protocol, Parties to the Paris Agreement, observer organizations, other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund, as well as implementing entities accredited by the Adaptation Fund Board, on their experience regarding the Adaptation Fund;

   (b) The annual reports of the Global Environment Facility (GEF) to the Conference of the Parties (COP) on its activities as an operating entity of the Financial Mechanism, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy, information and evaluation documents;
(c) The annual reports of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the Financial Mechanism and other relevant GCF policy and information documents;

(d) The report of the Adaptation Fund Board to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Adaptation Fund annual performance report for the most recent fiscal year and the outcomes of previous reviews of the Adaptation Fund;

(e) The outcomes and reports emanating from United Nations processes, relevant bilateral and multilateral funding institutions and other intergovernmental and non-governmental organizations dealing with climate change financing;

(f) The reports of the relevant constituted bodies;

(g) The reports on the work programme on long-term finance;¹

(h) The technical paper and summary for policymakers arising from the technical examination process on adaptation in 2020;

(i) The reports on the independent evaluation of the Adaptation Fund (phase two) and the midterm review of the implementation of the Medium-term Strategy (2018–2022) of the Adaptation Fund.²

¹ FCCC/CP/2012/3 and FCCC/CP/2013/7.