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## Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

### Eighteenth session

United Arab Emirates, 30 November to 12 December 2023

Agenda item 7

### Matters relating to the Adaptation Fund

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### Proposal by the President

### Draft decision -/CMP.18

## 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 and 4/CMP.17,*

*Also recalling decision 13/CMA.1,*

*Further recalling decision 5/CMP.17, paragraph 8,*

1. Welcomes the annual report of the Adaptation Fund Board for 2023, 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 approval of an implementation plan<sup>2</sup> for the Medium-Term Strategy of the Adaptation Fund for 2023–2027<sup>3</sup> 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 in 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

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

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

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



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 187.74 million from 15 contributors received as at 10 December 2023 towards the Adaptation Fund resource mobilization target for 2023 of USD 300 million, to come from more than the 17 contributors in 2022;

(g) Outstanding pledged contributions from previous years of USD 148.27 million as at 7 December 2023, of which USD 67.79 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;<sup>4</sup>

(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 constituted bodies under the Convention and the Paris Agreement;

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

(m) The development of knowledge products and learning activities;<sup>5</sup>

3. *Welcomes* the financial pledges made towards the Adaptation Fund resource mobilization target for 2023 of USD 300 million, to come from more than the 17 contributors in 2022, by the Governments of Austria, Denmark, France, Germany, Iceland, Ireland, Luxembourg, Norway, the Republic of Korea, Spain, Sweden and Switzerland, as well as the governments of the Brussels and Walloon Regions of Belgium and the provincial government of Quebec, equivalent to USD 187.74 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;

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. *Recalls* 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

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<sup>4</sup> See Adaptation Fund Board document AFB/B.41/8/Rev.1.

<sup>5</sup> 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; 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.

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 developing country Parties and in particular the least developed countries and small island developing States, and *requests* the Adaptation Fund Board to continue supporting such action;

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

(a) Considering strengthening the readiness activities for national implementing entities, considering their long-term capacity-building needs;

(b) Enhancing the accreditation and project and programme approval processes;

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

11. *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;

12. *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;

13. *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;

14. *Encourages* 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 country Parties that are particularly vulnerable to the adverse effects of climate change with a view to assisting them in enhancing implementation of their national adaptation plans and adaptation components of nationally determined contributions and other voluntary adaptation planning processes and *requests* the Board to include information in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its nineteenth session (November 2024) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (November 2024) on the rates of use of the increased cap on allocation per country;<sup>6</sup>

15. *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<sup>7</sup> and *encourages* the Board to continue this work with a view to simplifying its access modalities, as appropriate;

16. *Also welcomes* the collaboration between the Adaptation Fund and the Technology Executive Committee and the Climate Technology Centre and Network including through the Adaptation Fund Climate Innovation Accelerator and *encourages* continued collaboration in this regard;

17. *Encourages* the Adaptation Fund Board to report on its work related to implementing its mandates in decisions 1/CMP.14 and 13/CMA.1 in its annual report to the Conference of

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

<sup>7</sup> Including the declaration by the Adaptation Fund, the Climate Investment Funds, the Global Environment Facility and the Green Climate Fund on enhancing access to climate finance and increasing the effectiveness of multilateral climate funds (see <https://www.adaptation-fund.org/enhancing-access-and-increasing-impact-the-role-of-the-multilateral-climate-funds/>).

the Parties serving as the meeting of the Parties to the Kyoto Protocol at its nineteenth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session.

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