



ADAPTATION FUND

AFB/B.31/Inf.6
14 March 2018

Adaptation Fund Board
Thirty-first meeting
Bonn, Germany, 22-23 March 2018

Agenda item 11

**DECISIONS OF COP23, CMP13 AND CMA1
RELATED TO THE ADAPTATION FUND**

Decision 1/CMP.13 (<http://unfccc.int/resource/docs/2017/cmp13/eng/07a01.pdf#page=3>):
Report of the Adaptation Fund Board (emphasis added)

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,
 Recalling decisions 1/CMP.3, 2/CMP.10, 1/CMP.11 and 2/CMP.12,
 Also recalling the Paris Agreement, adopted under the Convention,
 Further recalling decision 1/CP.21, paragraphs 59 and 60, and decision 1/CMA.1,
 paragraph 11,*

1. *Takes note of the annual report of the Adaptation Fund Board, and the information contained 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 and in the oral report provided by the Chair of the Adaptation Fund Board at this session:²*
 - (a) *The accreditation of 26 national implementing entities for accessing resources from the Adaptation Fund directly;*
 - (b) *Cumulative project and programme approvals reaching USD 418.1 million as at 30 June 2017;*
 - (c) *The record number of project and programme proposals received from 2015 to 2017 and the rapidly increasing demand for funding;*
 - (d) *Funds available for new funding approvals amounting to USD 185.9 million as at 30 June 2017;*
 - (e) *The value of projects and programmes in the active pipeline estimated at USD 163.9 million as at 30 June 2017;*
 - (f) *The approval of funding decisions for readiness grants amounting to USD 275,000, consisting of USD 100,000 in South–South cooperation grants, USD 145,000 in technical assistance grants for the environmental and social policy and gender policy, and USD 30,000 in technical assistance grants for the gender policy;*
 - (g) *The approval of three regional (multi-country) projects, with total funding of USD 25.8 million, and the decision to continue financing regional projects and programmes beyond the Pilot Programme for Regional Projects and Programmes, launched in May 2015;*
 - (h) *The cumulative receipts of USD 649.5 million into the Adaptation Trust Fund, as at 30 June 2017, comprising USD 197.8 million from the monetization of certified emission reductions, USD 442.4 million from additional contributions and USD 9.3 million from investment income earned on the trust fund balance;*

¹ FCCC/KP/CMP/2017/6.

² Available at http://unfccc.int/meetings/bonn_nov_2017/in-session/items/10494.php.

- (i) *The approval of the Ad Hoc Complaint Handling Mechanism of the Adaptation Fund,³ established to promote the fund's accountability and help respond, through a participatory approach, to complaints raised against a project or programme financed by the fund;*
- (j) *The adoption by the Adaptation Fund Board of a medium-term strategy for the Adaptation Fund;⁴*
- (k) *The approval of 16 single-country project/programme proposals submitted by implementing entities, totalling USD 103.1 million, including 6 proposals submitted by national implementing entities, to the amount of USD 38.8 million, 5 proposals submitted by regional implementing entities, to the amount of USD 39.6 million, and 5 proposals submitted by multilateral implementing entities, to the amount of USD 24.6 million;*
- (l) *The contributions received from 1 July 2016 to 30 June 2017, amounting to USD 97.6 million, from Germany, Italy, Sweden and the Brussels-Capital, Flanders and Walloon Regions of Belgium;*
- (m) *The publication of a gender guidance document⁵ to assist implementing entities in complying with the fund's gender policy and action plan and in mainstreaming gender considerations;*
- (n) *The 2017–2020 resource mobilization strategy⁶ being implemented by the Adaptation Fund Board;*

3. *Also notes the total amount of USD 81.4 million in contributions made to the Adaptation Fund in 2016, surpassing the fundraising target of the Adaptation Fund Board of USD 80 million for the 2016 calendar year;*

4. *Welcomes the financial pledges to the Adaptation Fund made by Germany, Ireland, Italy, Sweden and the Walloon Region of Belgium, equivalent to USD 93.3 million;*

5. *Notes that with the pledges mentioned in paragraph 4 above, the fundraising target of the Adaptation Fund Board of USD 80 million for the 2017 calendar year has been surpassed;*

6. *Reiterates its concern⁷ regarding the issues related to the sustainability, adequacy and predictability of funding for the Adaptation Fund due to the current uncertainty about the prices of certified emission reductions;*

7. *Encourages the scaling-up of financial resources, including the provision of voluntary support, that is additional to the share of proceeds levied on certified emission reductions, in order to support the resource mobilization efforts of the Adaptation Fund;*

³ See https://www.adaptation-fund.org/wp-content/uploads/2016/12/Ad-Hoc-Complaint-Handling-Mechanism_final_March2017.pdf.

⁴ See Adaptation Fund Board document B.30/5/Rev.1, available at https://www.adaptationfund.org/wp-content/uploads/2017/10/AFB.B.30.5.Rev_.1-Draft-medium-term-strategy.pdf.

⁵ See <https://www.adaptation-fund.org/wp-content/uploads/2017/03/GenderGuidance-Document.pdf>.

⁶ See https://www.adaptation-fund.org/wpcontent/uploads/2017/05/AFB_Resource_mobilization_strategy_for_posting.pdf.

⁷ Decision 2/CMP.12, paragraph 6.

8. *Also encourages the Adaptation Fund Board, in line with its existing mandate, to continue its consideration of linkages between the Adaptation Fund and other funds, and to report on the outcomes thereof to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fourteenth session (December 2018);*
9. *Further encourages the Adaptation Fund Board to implement its medium-term strategy;*⁸
10. *Encourages the Adaptation Fund Board to continue its deliberations on enhancing and streamlining accreditation policies for implementing entities, including reaccreditation of previously accredited entities;*
11. *Requests that Adaptation Fund Board to make available, as part of its annual report, information on board meetings and other relevant developments that have taken place after the publication of the main part of the annual report;*
12. ***Decides that the Adaptation Fund shall serve the Paris Agreement*** *subject to and consistent with decisions to be taken at the third part of the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (December 2018), in line with decision 1/CMA.1, paragraph 11;*
13. *Also decides that it will consider whether the Adaptation Fund shall serve the Paris Agreement exclusively, under the guidance of and accountable to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, following a recommendation from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on this matter to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifteenth session (November 2019);*
14. *Notes the progress of the Ad Hoc Working Group on the Paris Agreement in undertaking the necessary preparatory work to address governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement, including sources of funding, to be defined by Parties, and looks forward to the recommendations thereon from the Ad Hoc Working Group on the Paris Agreement in 2018;*
15. *Recognizes that the Adaptation Fund should continue to contribute to an enhanced, efficient and coherent climate finance architecture.*

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⁸ As footnote 4 above.

Decision 2/CMP.13 (<http://unfccc.int/resource/docs/2017/cmp13/eng/07a01.pdf#page=5>): *Third Review of the Adaptation Fund*

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,
Recalling decisions 2/CMP.10 and 1/CMP.12,*

Reiterating the crucial importance of the Adaptation Fund as an essential channel for supporting adaptation action and the main promoter of direct access, together with its focus on funding the full costs of concrete adaptation projects and programmes in developing countries,

Noting with deep concern the continued issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund, given the current prices of certified emission reductions, which affect its ability to fulfil its mandate,

1. *Takes note of the technical paper on the third review of the Adaptation Fund,⁹ based on the terms of reference for the review contained in the annex to decision 1/CMP.12;*
2. *Welcomes the completion of phase 1 of the independent evaluation of the Adaptation Fund and looks forward to phase 2;*
3. *Recognizes the lessons learned and progress made since the second review of the Adaptation Fund, including initiatives and improvements such as modalities to enable enhancement of the direct access modality, the Readiness Programme including its South–South mentoring channel, a streamlined process for accreditation for small entities and guidance on accreditation standards;*
4. *Also recognizes the comparative advantage of the Adaptation Fund, including the speed of project approval, the strategic engagement by stakeholders at the subnational level, the various institutional benefits, the efficiency of institutional arrangements and the enhancement of country ownership in the funding process;*
5. *Welcomes the implementation of mandatory compliance for implementing entities with the Adaptation Fund's environmental and social safeguards and gender policy, which enhances the effectiveness of the Adaptation Fund;*
6. *Notes the efforts made by the Adaptation Fund Board in enhancing cooperation with other funds to ensure coherence and complementarity;*
7. *Encourages the Adaptation Fund Board:*
 - (a) *To consider options for improvement of efficiency with regard to the operation of the Adaptation Fund;*

⁹ FCCC/TP/2017/6.

(b) *To continue to engage with subnational actors and the private sector through, inter alia, microfinance schemes, weather-based insurance arrangements, involvement with local industry groups and farmers in adaptation projects, and public–private partnerships;*

(c) *To consider voluntary tracking of climate finance mobilized, where appropriate;*

(d) *To continue the efforts to enhance complementarity and coherence with other funds both under and outside the Convention;*

8. *Requests the Adaptation Fund Board:*

(a) *To consider lessons learned from the Adaptation Fund’s engagement with private sector stakeholders in adaptation projects at the local level, including in the decision-making processes of the Adaptation Fund and in communications with donors;*

(b) *To monitor and assess project approval time under the Readiness Programme, identifying any linkages of this time to the introduction of the Adaptation Fund’s environmental and social policy, and to take measures to reduce the time, as necessary, while continuing to implement its environmental and social safeguards and gender policy;*

(c) *To continue to provide information on project approval time;*

(d) *To continue monitoring the adaptation impacts and results of the Adaptation Fund, including using local and sector-specific metrics;*

(e) *To report on progress made on the mandates arising from this decision in the future reports of the Adaptation Fund to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;*

9. *Also requests the Subsidiary Body for Implementation, at its session to be held in June 2020, to initiate the fourth review of the Adaptation Fund, in accordance with the terms of reference contained in the annex to decision 1/CMP.12, or as amended, and to report back to its governing body to be convened in conjunction with the twenty-seventh session of the Conference of the Parties (November 2021).*

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Informal Note from APA 1.4 by the co-facilitators on Draft elements for APA agenda item 8: Further matters related to implementation of the Paris Agreement, Adaptation Fund (*This note captures discussions which took place during APA 1.4 on 7-15 November 2018*) ([http://unfccc.int/files/bodies/apa/application/pdf/informal_note_apa_item_8b_\(af\)-revised_final_version_14.11.2017_for_webposting.pdf](http://unfccc.int/files/bodies/apa/application/pdf/informal_note_apa_item_8b_(af)-revised_final_version_14.11.2017_for_webposting.pdf))

By decision 1/CP.22, the COP had requested the Ad Hoc Working Group on the Paris Agreement in its consideration of the necessary preparatory work on the Adaptation Fund to address the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement.

The informal note from APA 1.3 (on 8-18 May 2016) captures a list of options and elements identified by Parties in response to the guiding questions posted by the co-facilitators. At APA 1.4 Parties provided inputs on and discussed the options and elements identified during APA 1.3. The discussions at APA 1.4 are captured in an informal note contained in the aforementioned link.

All previous decisions that have been taken on the Adaptation Fund that touch on governance and institutional arrangements, safeguards and operating modalities (<http://unfccc.int/bodies/apa/items/10436.php>): *This compilation was prepared by the UNFCCC secretariat upon the request of the Parties made at APA 1.3 (on 8-18 May 2016).*