



ADAPTATION FUND

AFB/B.38/10
14 February 2022

Adaptation Fund Board
Thirty-eighth meeting
Bonn, Germany, 7-8 April 2022

Agenda item 13

**DECISIONS OF CMP16, CMA3 AND COP26 RELATING TO THE ADAPTATION FUND AND
THE RELEVANT MATTERS TO BE CONSIDERED BY THE ADAPTATION FUND BOARD**

I. Background

1. In Katowice, Poland in December 2018, it was decided that the Adaptation Fund (the Fund) shall serve the Paris Agreement under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) with respect to all matters relating to the Paris Agreement, effective 1 January 2019, and that the Fund shall exclusively serve the Paris Agreement once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available to the Adaptation Fund (the Fund) (decisions 13/CMA.1¹ and 1/CMP.14²).

2. By decision 1/CMP.14, paragraph 6, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) requested the Adaptation Fund Board (the Board) to consider the following and to make recommendations to the CMP at its fifteenth session (CMP 15) with a view to the recommendations being forwarded to the CMA at its second session (CMA 2) in December 2019:

(i) the rules of procedure of the Board;

¹ **Decision 13/CMA.1:** The CMA,

1. Decides that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to the decision on this matter made by the CMP;
2. Recommends that the CMP decide that the Adaptation Fund will continue to be financed by the activities under Articles 6, 12 and 17 of the Kyoto Protocol;
3. Also recommends to the CMP that the Adaptation Fund shall exclusively serve the Paris Agreement once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available;
4. Invites the CMP 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. Decides that, when the Adaptation Fund serves the Paris Agreement, it shall be financed from the share of proceeds from the mechanism established by Article 6, paragraph 4, of the Paris Agreement and from a variety of voluntary public and private sources;
6. Invites the CMP to request the Adaptation Fund Board to consider the rules of procedure of the Board, the arrangements of the Adaptation Fund with respect to the Paris Agreement and the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement, with a view to forwarding recommendations to the CMA for consideration at its second session (November 2019).

² **Decision 1/CMP.14:** The CMP,

1. Takes note of decision 1/CMA.1, whereby the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019;
2. Decides that the Adaptation Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available;
3. Also decides, pursuant to paragraph 2 above, that the Adaptation Fund shall continue to receive the share of proceeds, if available, from activities under Articles 6, 12 and 17 of the Kyoto Protocol;
4. Further decides 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 Subsidiary Body for Implementation, at its fiftieth session (June 2019), to consider the matter referred to in paragraph 4 above, and to forward a recommendation to the CMP for consideration at its fifteenth session (November 2019);
6. Also requests the Adaptation Fund Board to consider the rules of procedure of the Board, the arrangements of the Adaptation Fund with respect to the Paris Agreement and any other matter so as to ensure the Adaptation Fund serves the Paris Agreement smoothly; to consider the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement; and to make recommendations to the CMP at its fifteenth session with a view to the recommendations being forwarded to the CMA for consideration at its second session (November 2019).

- (ii) the arrangements of the Fund with respect to the Paris Agreement;
- (iii) any other matter so as to ensure the Fund serves the Paris Agreement smoothly;
- (iv) implications of the Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Fund serves the Paris Agreement.

3. The Board fulfilled the mandate issued under decision 1/CMP.14, paragraph 6 in 2019. At the thirty-third meeting (March 2019)³, the additional meeting to thirty-third meeting in June 2019⁴, and the thirty-fourth meeting (October 2019)⁵, the Adaptation Fund Board (the Board) considered, the aforementioned four matters as per decision 1/CMP.14, paragraph 6 and reported its considerations of the matters and made relevant recommendations to the CMP at its fifteenth session, through [the addendum to the Report of the Board to CMP at its fifteenth session and to the CMA at tis second session](#).⁶ The Board invited the CMP and/or the CMA to take note of the Board's consideration of the aforementioned matters; invited the CMP to adopt the amendment of the terms and conditions of the trustee services to be provided by the World Bank as interim Trustee (hereafter "T&Cs") and the amendment of the institutional arrangement (MoU) with Global Environmental Facility (GEF) for Secretariat services to the Board, respectively; and also invited the CMP and/or the CMA to provide guidance and/or clarification on the issue of the 'Parties eligible for funding from Adaptation Fund' as referred to in paragraph 1 of decision 1/CMP.3 which is reflected in paragraphs 5 and 10 of the Adaptation Fund's Strategic Priorities, Policies and Guidelines adopted by decision 1/CMP.4 (SPPG).⁷

4. In Madrid, Spain in December 2019, by decision 3/CMP.15, the CMP adopted the amended and restated T&Cs⁸ as well as the amended and restated MoU regarding secretariat services to the Adaptation Fund Board,⁹ respectively. Subsequently, the World Bank and the Council of the GEF approved the respective instruments.

5. In Glasgow, Scotland in November 2021, a number of decisions relating to and/or referring to the Adaptation Fund were made by the CMP at its sixteenth session (CMP16), the CMA at its

³ Document AFB/B.33/11 (Decisions of CMP14 and CMA1 related to the Adaptation Fund and the relevant matters to be considered by the Adaptation Fund Board), available at <https://www.adaptation-fund.org/document/decisions-cmp14-cma1-related-adaptation-fund-relevant-matters-considered-adaptation-fund-board/>

⁴ Documents AFB/B.33.b/3 (Matters Related to the Mandate contained in paragraph 6 of Decision 1/CMP.14); AFB/B.33.b/Add.1 (The rules of procedure of the Adaptation Fund Board); AFB/B.33.b/Add.2 (Strategic priorities, policies, and guidelines of the Adaptation Fund adopted by the CMP (Annex I to the OPG); AFB/B.33.b/Inf.1; AFB/B.33.b/Inf.2, available at <https://www.adaptation-fund.org/meeting/additional-meeting-33-b/>

⁵ Documents AFB/B.34/9; AFB/B.34/9/Add.1/Rev.1 (draft amendment of terms and conditions between the CMP and the World Bank as the interim trustee); AFB/B.34/9/Add.2 (the trustee's cover note on terms and conditions); AFB/B.34/9/Add.3 (the draft amendment of the MoU between the CMP and the GEF Council regarding secretariat services to the Adaptation Fund Board); AFB/B.34/9/Add.4 (the Board's consideration on the matter of the Rules of Procedure of the Board); AFB/B.34/9/Add.5; AFB/B.34/9/Add.6 (Board's Recommendations for actions to be taken by the CMP to be included in the Addendum to the Board's Report to CMP at its fifteenth session); FB/B.34/9/Inf.7; AFB/B.34/9/Inf.8, available at <https://www.adaptation-fund.org/meeting/34th-afb-meeting/>

⁶ [FCCC/KP/CMP/2019/4/Add.1-FCCC/PA/CMA/2019/2/Add.1](#): see sections XII and XIII, Annexes I, II, III, IV and V.

⁷ *Ibid.*, paras.44-50.

⁸ Annex I to the addendum to the 2019 report of the Adaptation Fund Board (FCCC/KP/CMP/2019/4/Add.1–FCCC/PA/CMA/2019/2/Add.1, annex).

⁹ Annex III to the addendum to the 2019 report of the Adaptation Fund Board ((FCCC/KP/CMP/2019/4/Add.1–FCCC/PA/CMA/2019/2/Add.1, annex).

third session (CMA 3), and the Conference of Parties at the COP at its twenty-sixth session (COP26).

6. By decision 3/CMP.16 the CMP decided to, *inter alia*:

(i) **Confirm that developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund and to request the Adaptation Fund Board to amend the relevant operational and policy guidelines, as well as its strategic priorities, policies and guidelines accordingly**¹⁰;

(ii) **Confirm that Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board and to request the Adaptation Fund Board to amend the relevant procedures and modalities.**¹¹

(iii) Request the Subsidiary Body for Implementation to continue its consideration of matters relating to membership of the Adaptation Fund Board further to decision 1/CMP.14, paragraph 5, and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its next session.¹²

(iv) Also request the Adaptation Fund Board, in line with its existing mandate and decision 1/CMP.3, to consider providing support for country-driven adaptation projects and programmes in developing countries with a view to contributing to enhancing implementation of their national adaptation plans and other voluntary adaptation planning processes.¹³

7. Regarding the fourth review of the Adaptation Fund, by decision 4/CMP.16, the CMP decided to, *inter alia*:

(i) Request the Adaptation Fund Board to make available in its report to the CMP at its seventeenth session (November 2022) and the CMA 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.¹⁴

(ii) Request 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 (SBI) 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);

¹⁰ [Decision 3/CMP.16](#): Report of the Adaptation Fund Board for 2020 and 2021, para. 6.

¹¹ *Ibid.*, para. 7.

¹² *Ibid.*, para. 8.

¹³ *Ibid.*, para. 11.

¹⁴ [Decision 4/CMP.16](#): Fourth review of the Adaptation Fund, para. 2.

- (iii) Also request 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 CMP at its seventeenth session;
- (iv) Invites the CMA to consider the outcome of the review at its fourth session.
8. By decision 13/CMA.3 the CMA decided to, *inter alia*:
- (i) Takes note of decision 3/CMP.16, confirms that developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund, recalls decision 1/CMP.3, paragraph 4, and **invites the CMP to request the Adaptation Fund Board to amend the relevant operational policies and guidelines, as well as its strategic priorities, policies and guidelines accordingly**;
- (ii) Take note of decision 3/CMP.16, confirms that Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board, recalls decision 1/CMP.3, paragraph 4, and **invites CMP to request the Adaptation Fund Board to amend the relevant procedures and modalities**;
- (iii) Request 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 Agreement¹⁵;
- (iv) Note the summary by the Adaptation Fund Board¹⁶ of its consideration of its rules of procedure; the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement; and any other matter so as to ensure that the Adaptation Fund serves the Paris Agreement smoothly¹⁷;
- (v) Encourage the Board to continue its consideration of its rules of procedure in the context of serving the Paris Agreement, including after the Subsidiary Body for

¹⁵ Ibid., para.11.

¹⁶ Pursuant to decision 1/CMP.14, para. 6.

¹⁷ [Decision 13/CMA.3](#): Matters relating to the Adaptation Fund, para.12.

Implementation has concluded its consideration of matters related to membership of the Adaptation Fund Board.¹⁸

9. This document is to present decisions made in Glasgow, Scotland in November 2021, by the CMA at its third session (CMA 3), the CMP at its sixteenth session (CMP 16), and the Conference of Parties at its twenty-sixth session (COP26) relating to or referring to the Adaptation Fund and matters to be considered by the Board as per decision 3/CMP.16, paragraphs 6 and 7 and decision 13/CMA.3, paragraphs 7 and 8. The information contained in this document is not intended to prejudge the content of the document to be presented to the thirty-ninth meeting and may require further review during the intersessional period between the thirty-eighth and thirty-ninth meetings.

II. Decisions relating to or referring to the Adaptation Fund made at CMA 3, CMP 16, and COP 26 in Glasgow, Scotland in November 2021

10. [Decision 3/CMP.16: Report of the Adaptation Fund Board for 2020 and 2021](#)

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

...

1. *Takes note of the annual report of the Adaptation Fund Board for 2020 and 2021 and the information contained therein;*¹⁹

2. *Notes the following information, actions and decisions relating to the Adaptation Fund Board presented in the reports referred to in paragraph 1 above:*

...

3. *Welcomes with appreciation the decision of the Adaptation Fund Board to increase the finance access cap per country from USD 10 million to USD 20 million and the number of accredited national implementing entities per eligible developing country Party from one to two;*

4. *Welcomes the financial pledges to the Adaptation Fund made by the European Commission, the Governments of Canada, Finland, Germany, Ireland, Norway, Qatar, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America, as well as the governments of the Brussels-Capital, Flemish and Walloon Regions of Belgium and the provincial government of Quebec, equivalent to USD 356 million;*

...

¹⁸ Ibid., para. 13.

¹⁹ FCCC/KP/CMP/2020/2–FCCC/PA/CMA/2020/2 and FCCC/KP/CMP/2021/2–FCCC/PA/CMA/2021/4 and Add.1.

6. **Confirms that developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund and requests the Adaptation Fund Board to amend the relevant operational policies and guidelines, as well as its strategic priorities, policies and guidelines accordingly;**

7. **Confirms that Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board and requests the Adaptation Fund Board to amend the relevant procedures and modalities;**

8. Also requests the Subsidiary Body for Implementation to continue its consideration of matters relating to membership of the Adaptation Fund Board further to decision 1/CMP.14, paragraph 5, and to forward a recommendation to the CMP for consideration at its next session;

9. Welcomes the operationalization of the fast-track accreditation process on the basis of operational complementarity between the Adaptation Fund and the Green Climate Fund;

10. Takes note of the findings from midterm review of the Medium-Term Strategy of the Adaptation Fund for 2018–2022 and underlines the relevance, niche function and ambition of the Adaptation Fund in contributing to the implementation of adaptation action in a timely manner;

11. **Requests the Adaptation Fund Board, in line with its existing mandate and decision 1/CMP.3, to consider providing support for country-driven adaptation projects and programmes in developing countries with a view to contributing to enhancing implementation of their national adaptation plans and other voluntary adaptation planning processes;**

12. Notes the importance of finalizing the draft resource mobilization strategy of the Adaptation Fund for 2021-2024 in order to encourage mobilization of resources for the Adaptation Fund.

11. [Decision 4/CMP.16: Fourth review of the Adaptation Fund](#)

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

...

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 CMP at its seventeenth session (November 2022) and the CMA 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 nongovernmental 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 portal²⁰ 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 CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to the decision²¹ on this matter made by the CMP 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 CMP at its seventeenth session;

7. Invites the CMA to consider the outcomes of the review at its fourth session.

12. **Decision 1/CMP.16: Glasgow Climate Pact**

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

...

2. Welcomes the entry into force of the Doha Amendment on 31 December 2020;

3. Notes that the second commitment period of the Kyoto Protocol ended on 31 December 2020;

4. Strongly urges Parties that have accepted the Doha Amendment to implement the pre-2020 commitments to the fullest extent as soon as possible.

²⁰ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>

²¹ Decision 1/CMP.14.

13. [Decision 2/CMP.16: Guidance relating to the clean development mechanism](#)

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

...

Acknowledging the contribution to global efforts to address climate change of the clean development mechanism, which as at 31 October 2021 was responsible for over 7,849 project activities being registered, 356 programmes of activities being registered and over 2.17 billion certified emission reductions being issued, of which over 301 million had been voluntarily cancelled either in national registries or in the clean development mechanism registry,

Welcoming the entry into force of the Doha Amendment to the Kyoto Protocol,²²

Cognizant of decision 3/CMA.3 and its annex,

Recognizing the need for a smooth transition from the clean development mechanism to the mechanism established by Article 6, paragraph 4, of the Paris Agreement,

...

III. Functioning of the clean development mechanism beyond the end of the second commitment period of the Kyoto Protocol

...

7. *Decides that requests for registration, renewal of crediting period and issuance of certified emission reductions for project activities, as well as the equivalent submissions for programmes of activities, relating to emission reductions occurring after 31 December 2020 may not be submitted under the clean development mechanism, acknowledging that such requests and submissions may be made under the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the Article 6.4 mechanism), approval of which is subject to the compliance with its rules, modalities and procedures and any other requirements determined by the CMA or the body that supervises the Article 6.4 mechanism as designated by decision 3CMA.3 (hereinafter referred to as the Supervisory Body);*

...

9. *Requests the Subsidiary Body for Implementation to consider measures to implement aspects relating to the clean development mechanism registry in decision 3/CMA.3²³ to develop recommendations for consideration by the CMP at its seventeenth session (November 2022);*

...

IV. Management of financial resources

...

²² Decision 1/CMP.8, annex I.

²³ Ibid.

18. Further decides to authorize the transfer of USD 30 million from the Trust Fund for the Clean Development Mechanism to the Trust Fund for Supplementary Activities for the work of the Supervisory Body to facilitate the expedited implementation of the Article 6.4 mechanism;

...

20. **Also decides to authorize the transfer of USD 20 million from the Trust Fund for the Clean Development Mechanism to the Adaptation Fund;**

21. **Invites the CMA to allocate the equivalent amount referred to in paragraph 18 above from the fund supporting the Article 6.4 mechanism to the Adaptation Fund after the Article 6.4 mechanism has become self-financing;**

...

14. **Decision 13/CMA.3: Matters relating to the Adaptation Fund**

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA),

Recalling decisions 1/CMP.3, 1/CMP.4, 2/CMP.10, 1/CMP.11, 2/CMP.12, 1/CMP.13, 1/CMP.14 and 3/CMP.15,

...

2. Takes note of the annual report of the Adaptation Fund Board for 2019 and decision 3/CMP.15, paragraph 1;

3. Notes the annual reports of the Adaptation Fund Board for 2020 and 2021 and the information contained therein;

...

7. **Takes note of decision 3/CMP.16, confirms that developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund, recalls decision 1/CMP.3, paragraph 4, and invites the CMP to request the Adaptation Fund Board to amend the relevant operational policies and guidelines, as well as its strategic priorities, policies and guidelines accordingly;**

8. **Takes note of decision 3/CMP.16, confirms that Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board, recalls decision 1/CMP.3, paragraph 4, and invites the CMP to request the Adaptation Fund Board to amend the relevant procedures and modalities;**

9. Requests the Adaptation Fund Board to provide an update on its progress in assisting developing country Parties in meeting their adaptation commitments under the Paris Agreement;

10. Reiterates the encouragement to scale 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;²⁴

11. 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 considerations 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;

12. Notes the summary by the Adaptation Fund Board of its consideration of its rules of procedure; the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol when the Adaptation Fund serves the Paris Agreement; and any other matter so as to ensure that the Adaptation Fund serves the Paris Agreement smoothly²⁵;

13. **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**²⁶

15. **Decision 2/CMA.3: Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement**

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA),

...

1. Adopts the guidance on cooperative approaches referred to in Article ²⁷ 6, paragraph 2, as contained in the annex;

...

²⁴ Decision 3/CMP.15, para. 5

²⁵ See document FCCC/KP/CMP/2019/4/Add.1–FCCC/PA/CMA/2019/2/Add.1, annexes IV and V.

²⁶ See Decision 1/CMP.14, paragraph 5.

²⁷ “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

17. **Invites the Adaptation Fund to report in its annual reports to the CMA on funding related to participation in cooperative approaches pursuant to paragraph 37 of chapter VII of the annex (Ambition in mitigation and adaptation actions);**

...

Annex: Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

I. Internationally transferred mitigation outcomes

...

II. Participation

...

III. Corresponding adjustments

...

IV. Reporting

...

V. Review

...

VI. Recording and tracking

...

VII. Ambition in mitigation and adaptation actions

37. **Participating Parties and stakeholders using cooperative approaches are strongly encouraged to commit to contribute resources for adaptation, in particular through contributions to the Adaptation Fund, and to take into account the delivery of resources under Article 6, paragraph 4, to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.**

38. *Each participating Party shall report as part of their reporting in accordance with chapter IV.C above (Regular information) on any contributions made pursuant to paragraph 37 above.*

...

16. **Decision 3/CMA.3: Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA),

...

1. *Adopts the rules, modalities and procedures for the mechanism established by Article²⁸ 6, paragraph 4, as contained in the annex;*

...

6. *Also requests the Supervisory Body to elaborate and further develop, on the basis of the rules, modalities and procedures contained in the annex, recommendations, for consideration and adoption by CMA at its fourth session (November 2022), on:*

...

²⁸ "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

(b) **Appropriate levels for the share of proceeds for administrative expenses and its operation, including in order to enable a periodic contribution to the share of proceeds for adaptation for the Adaptation Fund;**

7. Further requests the Subsidiary Body for Scientific and Technological Advice to develop, on the basis of the rules, modalities and procedures contained in the annex, recommendations, for consideration and adoption by the CMA at its fourth session, on:

(b) Processes for implementation of the transition of activities from the clean development mechanism to Article 6, paragraph 4, in accordance with chapter XI.A of the annex (Transition of clean development mechanism activities);

(c) Processes for implementation of chapter XI.B of the annex (Use of certified emission reductions towards first or first updated nationally determined contributions);

(f) The process necessary for implementation of the share of proceeds to cover administrative expenses and the share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation in accordance with chapter VII of the annex (Levy of share of proceeds for adaptation and administrative expenses);

8. **Requests the Supervisory Body to evaluate the implementation of the share of proceeds set out in chapter VII of the annex (Levy of share of proceeds for adaptation and administrative expenses) no later than in 2026 and every five years thereafter and, following such review, to make recommendations on possible improvements in order to optimize the resources available to the Adaptation Fund for consideration and adoption by the CMA;**

Annex: Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

I. Definitions

1. For the purpose of these rules, modalities and procedures:

(a) An “**Article 6, paragraph 4, activity**” is an activity that meets the requirements of Article 6, paragraphs 4–6, these rules, modalities and procedures, and any further relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);

(b) An “**Article 6, paragraph 4, emission reduction (A6.4ER)**” is issued for mitigation achieved pursuant to Article 6, paragraphs 4–6, these rules, modalities and procedures, and any further relevant decisions of the CMA. It is measured in carbon dioxide equivalent and is equal to 1 tonne of carbon dioxide equivalent calculated in accordance with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the CMA or in other metrics adopted by the CMA pursuant to these rules, modalities and procedures;

II. Role of the CMA

- ...
- III. Supervisory Body**
3. *The Supervisory Body shall supervise the mechanism under the authority and guidance of the CMA and be fully accountable to the CMA.*
- ...
- IV. Participation responsibilities**
- ...
- V. Article 6, paragraph 4, activity cycle**
- A. **Activity design**
- ...
- J. **First transfer from the mechanism registry**
58. **At issuance, the mechanism registry administrator shall effect a first transfer of 5 percent of the issued A6.4ERs to an account held by the Adaptation Fund in the mechanism registry for assisting developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.**
- ...
- VI. Mechanism registry**
- ...
- VII. Levy of share of proceeds for adaptation and administrative expenses**
66. **The share of proceeds that is levied to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation shall be delivered to the Adaptation Fund pursuant to decisions 13/CMA.1 and 1/CMP.14.**
67. **The share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation shall be comprised of:**
- (a) **A levy of 5 per cent of A6.4ERs at issuance;**
- (b) **A monetary contribution related to the scale of the Article 6, paragraph 4, activity or to the number of A6.4ERs issued, to be set by the Supervisory Body;**
- (c) **After the mechanism becomes self-financing, a periodic contribution from the remaining funds received from administrative expenses as per paragraph 68 below, after setting aside the operating costs for the mechanism and an operating reserve, at a level, and with a frequency to be determined by the CMA;**
68. *The share of proceeds to cover administrative expenses shall be set in monetary terms at a level and implemented in a manner to be determined by the CMA.*
- VIII. Delivering overall mitigation in global emissions**
- ...
- IX. Avoiding the use of emission reductions by more than one Party**
- ...
- X. Use of emission reductions for other international mitigation purposes**
- ...

XI. Transition of clean development mechanism activities and use of certified emission reductions towards first nationally determined contribution

...

17. **Decision 1/CMA.3: Glasgow Climate Pact** (same decision texts found in **Decision 1/CP26: Glasgow Climate Pact**, paragraphs 12 and 13, respectively)

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA),

...

Recognizing the role of multilateralism in addressing climate change and promoting regional and international cooperation in order to strengthen climate action in the context of sustainable development and efforts to eradicate poverty,

Acknowledging the devastating impacts of the coronavirus disease 2019 pandemic and the importance of ensuring a sustainable, resilient and inclusive global recovery, showing solidarity particularly with developing country Parties,

Also acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

...

I. Science and urgency

...

II. Adaptation

6. *Notes with serious concern the findings from the contribution of Working Group I to the Intergovernmental Panel on Climate Change Sixth Assessment Report, including that climate and weather extremes and their adverse impacts on people and nature will continue to increase with every additional increment of rising temperatures,*

7. *Emphasizes the urgency of scaling up action and support, including finance, capacity building and technology transfer, to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change in line with the best available science, taking into account the priorities and needs of developing country Parties,*

8. *Welcomes the adaptation communications and national adaptation plans submitted to date, which enhance the understanding and implementation of adaptation actions and priorities,*

9. *Urges Parties to further integrate adaptation into local, national and regional planning,*

10. *Requests Parties that have not yet done so to submit their adaptation communications in accordance with decision 9/CMA.1 ahead of the fourth session of the CMA (November 2022) so as to provide timely input to the global stocktake;*

11. *Recognize the importance of the global goal on adaptation for the effective implementation of the Paris Agreement and welcomes the launch of the comprehensive two-year Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation,*

12. *Notes that the implementation of the Glasgow–Sharm el-Sheikh work programme will start immediately after the third session of CMA;*

13. *Invites the IPCC to present to the CMA at its fourth session the findings from the contribution of Working Group II to its Sixth Assessment Report, including those relevant to assessing adaptation needs, and calls upon the research community to further the understanding of global, regional and local impacts of climate change, response options and adaptation need;*

III. Adaptation Finance

14. *Notes with concern that the current provision of climate finance for adaptation remains insufficient to respond to worsening climate change impacts in developing country Parties;*

...

16. **Recognizes the importance of the adequacy and predictability of adaptation finance, including the value of the Adaptation Fund in delivering dedicated support for adaptation, and invites developed country Parties to consider multi-annual pledges;**

17. *Welcomes the recent pledges made by many developed country Parties to increase their provision of climate finance to support adaptation in developing country Parties in response to their growing needs, including contributions made to the Adaptation Fund and the Least Developed Countries Fund, which represent significant progress compared with previous efforts;*

18. *Urges developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties 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;*

19. *Calls upon multilateral development banks, other financial institutions and the private sector to enhance finance mobilization in order to deliver the scale of resources needed to achieve climate plans, particularly for adaptation, and encourages Parties to continue to explore innovative approaches and instruments for mobilizing finance for adaptation from private sources;*

IV. Mitigation

V. Finance, technology transfer and capacity-building for mitigation and adaptation

...

47. *Urges the operating entities of the Financial Mechanism, multilateral development banks and other financial institutions to further scale up investments in climate action and calls for a continued increase in the scale and effectiveness of climate finance from all sources globally, including grants and other highly concessional forms of finance;*

48. *Re-emphasizes the need for scaled-up financial resources to take into account the needs of those countries particularly vulnerable to the adverse effects of climate change and in this regard encourages relevant multilateral institutions to consider how climate vulnerabilities should be reflected in the provision and mobilization of concessional financial resources and other forms of support, including special drawing rights;*

...

51. *Emphasizes the challenges faced by many developing country Parties in accessing finance and encourages further efforts to enhance access to finance, including by the operating entities of the Financial Mechanism;*

...

55. *Calls upon developed country Parties, multilateral development banks and other financial institutions to accelerate the alignment of their financing activities with the goals of the Paris Agreement;*

...

VI. Loss and damage²⁹

...

VII. Implementation

...

VIII. Collaboration

...

18. [Decision 15/CMA.3: Enhancing climate technology development and transfer to support implementation of the Paris Agreement](#)

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA),

...

19. **Welcomes with appreciation the continuing collaboration between the Climate Technology Centre and Network and the Adaptation Fund, including through the Adaptation Fund Climate Innovation Accelerator, and encourages the Climate Technology Centre and Network to further strengthen its collaboration with the Adaptation Fund in this regard;**

...

19. [Decision4/CP.26: Long-term climate finance](#)

The conference of the Parties,

...

2. **Welcomes the recent pledges made to the Adaptation Fund (totaling USD 351.6 million) and to the Least Developed Countries Fund (totaling USD 605.3 million);**

...

²⁹ It is noted that discussions related to the governance of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts did not produce an outcome; this is without prejudice to further consideration of this matter.

III. Matters to be considered by the Board relating to decision 3/CMP.16 and decision 13/CMA.3

20. By decision 3/CMP.16, paragraphs 6 and 7 and decision 13/CMA.3, paragraphs 7 and 8, the CMP and the CMA decided to confirm that (i) developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund; and (ii) Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board. Furthermore, by decision 3/CMP.16, paragraphs 6 and 7, the CMP decided to: (i) regarding eligible country Parties to access funding from the Fund, ***request the Adaptation Fund Board to amend the relevant operational and policy guidelines, as well as its strategic priorities, policies and guidelines accordingly***³⁰; and (ii) with regards to the decision that Parties to Paris Agreement are eligible for Board membership, ***request the Adaptation Fund Board to amend the relevant procedures and modalities.***

21. Regarding the matters related to membership of the Adaptation Fund Board, the CMP 16 requested the Subsidiary Body for Implementation to continue its consideration of matters relating to membership of the Adaptation Fund Board further to decision 1/CMP.14, paragraph 5, and to forward a recommendation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for consideration at its next session³¹ while the CMA 3 encouraged the Board to continue its consideration of its rules of procedure in the context 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.³²

22. Considering decision 3/CMP.16, paragraphs 6, 7 and 8, and decision 13/CMA.3, paragraphs 7, 8 and 13, the Board would want to consider and amend relevant provisions of the Fund's Strategic Priorities, Policies and Guidelines of the Fund adopted by the CMP (SPPG) and Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG). It is noteworthy that the Fund is still in transitional period during which the Fund serves both the Kyoto Protocol and the Paris Agreement: although the Board decides to amend the SPPG and OPG in 2022 considering decision 3/CMP.16 and decision 13/CMP.3, the SPPG and OPG will need to be amended again when the Fund exclusively serves the Paris Agreement and stops serving the Kyoto Protocol.

1) ***Authorities of the CMP and CMA during transitional period***

23. As the Board noted at its thirty-third meeting, additional meeting (B.33.b) and thirty-fourth meeting held in 2019, secretariat's consultations with the UNFCCC Secretariat held in March 2022 reaffirmed that during which the Fund serves both the Kyoto Protocol and the Paris Agreement ('transitional period'), the Fund and its Board remained under the authority of the CMP, while they remain under the guidance and accountable to the CMA with respect to all matters relating to the Paris Agreement.

³⁰ [Decision 3/CMP.16](#), para. 6.

³¹ *Ibid.*, para. 8.

³² Decision 13/CMA.3, para.13.

2) Strategic Priorities, Policies and Guidelines of the Fund adopted by the CMP (SPPG)

24. The Strategic Priorities, Policies and Guidelines of the Adaptation Fund (SPPG, as Annex I to Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG)) was adopted by the CMP (Decision 1/CMP.4). The SPPG forms the basis upon which the OPG shall be developed to enable eligible Parties to access resources from the Adaptation Fund.³³

25. Considering decision 3/CMP.16, paragraphs 6, 7 and 8, and decision 13/CMA.3, paragraphs 7, 8 and 13, the Board may want to consider proposed amendment of the SPPG, and if it decides to amend it, the Board would need to amend it by its thirty-ninth meeting (October 2022) so that it can report it to the CMP at its seventeenth session and the CMA at the fourth session and present the amended SPPG to the CMP for its adoption at its seventeenth session.

26. Proposed amendments to the SPPG are summarized below, and the amendments are marked in red font for easy reference. The proposed amendment of the SPPG with track changes are contained in Document AFB/B.38/10/Add.1.

- **Background section**

- (i) [A new paragraph 3]: adding a new paragraph 3 to reflect decisions 13/CMA.1 and 1/CMP.14 relating to the Fund serving the Paris Agreement, as follows:

3. In decision 13/CMA.1, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019, subject to the decision on this matter made by the CMP. In decision 1/CMP.14, paragraph 2, the CMP decided that the Adaptation Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol once the share of proceeds under Article 6, paragraph 4, of the Paris Agreement becomes available.

- (ii) [A new paragraph 4]: adding a new paragraph 4 to reflect decisions 3/CMP.16, paragraph 6, and decision 13/CMA.3, paragraph 7, as follows:

4. In decision 3/CMP.16, paragraph 6 and decision 13/CMA.3, paragraph 7, Parties confirmed that developing country Parties to the Paris Agreement particularly vulnerable to the adverse effects of climate change are eligible for funding from the Adaptation Fund.

³³ SPPG, paragraph 4.

- **Strategic priorities** section

- (i) [Paragraph 5]: amending to reflect decision 3/CMP.16, paragraph 6 and decision 13/CMA.3, paragraph 7, as follows:

5. In accordance with decision 1/CMP.3, paragraphs 1 and 2, and decision 3/CMP.16, paragraph 6 and decision 13/CMA.3, paragraph 7, the Adaptation Fund shall:

(a) Assist developing country Parties to the Kyoto Protocol and developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation;

(b) Finance concrete adaptation projects and programmes that are country driven and are based on the needs, views and priorities of eligible Parties.

- (ii) [Paragraph 6]: adding acronym of “(NAPAs)” following the existing text of “national adaptation programmes of action” and inserting ‘adaptation planning processes,³⁴ national adaptation plans (NAPs)³⁵, nationally determined contributions (NDCs),³⁶ adaptation communications³⁷ and other voluntary adaptation reports,³⁸ as follows:

6. In accordance with decision 5/CMP.2, paragraph 2(c), projects and programmes funded under the Adaptation Fund should also take into account, inter alia, national sustainable development strategies, adaptation planning processes, poverty reduction strategies, national communications and national adaptation programmes of action (NAPAs) and other relevant instruments, as well as national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications and other voluntary adaptation reports, where they exist.

³⁴ See decision 3/CMP.16, para.11 and decision 13/CMA.3, para. 11.

³⁵ The National adaptation plan (NAP) process was established under the Cancun Adaptation Framework (CAF). It enables Parties to formulate and implement national adaptation plans (NAPs) as a means of identifying medium-and long-term adaptation needs and developing and implementing strategies and programmes to address those needs. For further information, see <https://unfccc.int/topics/adaptation-and-resilience/workstreams/national-adaptation-plans>. See also decision 3/CMP.16, para.11, decision 13/CMA.3, paras.11., decisions 1/CP.26 (Glasgow Climate Pact) and 3/CP.26 (National adaptation plans).

³⁶ Nationally determined contributions (NDCs) embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. For further information, see <https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs/nationally-determined-contributions-ndcs>. See also decision 13/CMA.3, para. 11, and decision 5/CP.26 (Matters relating to the Standing Committee on Finance) para. 12.

³⁷ The adaptation communication was established by Article 7, paragraphs 10 and 11, of the Paris Agreement. Its purposes are to increase the visibility and profile of adaptation and its balance with mitigation, strengthen adaptation action and support for developing countries, provide input to the global stocktake, and enhance learning and understanding of adaptation needs and actions. For further information see <https://unfccc.int/topics/adaptation-and-resilience/workstreams/adaptation-communications>. See also decision 13/CMA.3, para.11.

³⁸ See decision 13/CMA.3, para. 11(a).

- (iii) [Paragraph 7]: inserting ‘the Adaptation Committee,³⁹ the Cancun Adaptation Framework,⁴⁰ and where applicable, the Least Developed Countries Expert Group (LEG)⁴¹,’ as follows:

7. In developing projects and programmes to be funded under the Adaptation Fund, eligible Parties should consider the guidance provided in decision 5/CP.7, paragraph 8, and, where necessary, further information included in reports from the Intergovernmental Panel on Climate Change and the Adaptation Committee, and information generated under the Nairobi work programme on impacts, vulnerability and adaptation to climate change, the Cancun Adaptation Framework, and, where applicable, the Least Developed Countries Expert Group (LEG).

- **Strategic policies and guidelines section**

- (i) [Paragraph 10]: amending to reflect decision 3/CMP.16, paragraph 6 and decision 13/CMA, paragraph 7, as follows:

10. Eligible Parties to receive funding from the Adaptation Fund are understood as developing country Parties to the Kyoto Protocol and developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems

- (ii) [Paragraphs 11]: deleting “or executing” from the text of “implementing or executing entities.” This is because only implementing entities are able to implement the projects funded by the Fund, and ‘executing entities’ are organizations that ‘execute’ adaptation projects and programmes supported by the Fund under the oversight of implementing entities as per the Fund’s OPG, paragraphs 28-33. “[i]mplementing or executing entities” was stated in paragraph 11 of SPPG because when SPPG was developed, the Board was still in the process of defining implementing entities and executing entities and later the

³⁹ As part of the Cancun Adaptation Framework, Parties established the Adaptation Committee (AC) to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention. For further information, see <https://unfccc.int/Adaptation-Committee>.

⁴⁰ The objective of the Cancun Adaptation Framework is to enhance action on adaptation, including adaptation, including through international cooperation and coherent consideration of matters relating to adaptation under the Convention. Ultimately enhanced action on adaptation seeks to reduce vulnerability and build resilience in developing country Parties, taking into account the urgent and immediate needs of those developing countries that are particularly vulnerable. For further information, see <https://unfccc.int/process/conferences/pastconferences/cancun-climate-change-conference-november-2010/statements-and-resources/Agreements>

⁴¹ The Least Developed Countries Expert Group (LEG) was established in 2001, and is currently mandated to provide technical guidance and support to the LDCs on the process to formulate and implement national adaptation plans (NAPs), the preparation and implementation of the national adaptation programmes of action (NAPAs) and the implementation of the LDC work programme. The LEG is also mandated to provide technical guidance and advice on accessing funding from the Green Climate Fund (GCF) for the process to formulate and implement NAPs, in collaboration with the GCF secretariat. Furthermore, the LEG is mandated to engage a wide range of organizations in implementing its work programme. For further information, see <https://unfccc.int/LEG>.

Board defined the implementing entities and executing entities as set out in the OPG, paragraphs 28-33. The amended text reads as follows:

11. Eligible Parties can submit project proposals directly to the Adaptation Fund Board and implementing ~~or—executing~~ entities chosen by governments that are able to implement the projects funded under the Adaptation Fund can approach the Adaptation Fund Board directly.

- (iii) [Paragraph 15 (a) and (b)] : similar to paragraph 6, adding to subparagraph (a), acronym of “(NAPAs)” following the existing text of “national adaptation programmes of action” and inserting ‘adaptation planning processes, national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications and other voluntary adaptation reports,’ and adding ‘and equal access to and equitable distribution of those benefits’ which is one of the objectives of the Fund’s Environmental and Social Policy and Gender Policy. The amended text reads as follows:

15. In assessing project and programme proposals, the Adaptation Fund Board shall give particular attention to:

(a) Consistency with national sustainable development strategies and adaptation planning processes, including, where appropriate, national adaptation plans (NAPs), nationally determined contributions (NDCs), adaptation communications, national development plans, poverty reduction strategies, national communications and national adaptation programmes of action (NAPAs) and other voluntary adaptation reports and relevant instruments, where they exist;

(b) Economic, social and environmental benefits from the projects and equal access to and equitable distribution of those benefits;

3) Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG)

27. The Operational Policies and Guidelines (OPG) was first developed in 2009 in accordance with decisions 1/CMP.3 and 1/CMP.4 and based upon the SPPG (later contained as Annex I of the OPG) wherein paragraph 9 indicates that “the operational principles and modalities that shall guide the provision of assistance by the Adaptation Fund to eligible Parties shall be consistent with [decision 5/CMP.2](#), paragraphs 1 and 2. The adoption of the OPG was taken note of by the CMP by decision 4/CMP.5. The OPG has been amended four times to make it aligned with the Fund’s environmental and social policy (ESP), Gender Policy, and to reflect the Fund’s readiness programme, and to reflect the Board’s decision on two national implementing entities, respectively.

28. Considering decision 3/CMP.16, paragraphs 6, 7 and 8, and decision 13/CMA.3, paragraphs 7, 8 and 13, the Board may want to consider proposed amendments to the OPG, and if it decides to amend it, the Board will need to amend it by its thirty-ninth meeting (October 2022) so that it can report it to the CMP at its seventeenth session and the CMA at its fourth session.

29. Proposed amendments to the OPG are summarized below, and the amendments are marked in red font for easy reference. The proposed amendment of the OPG with track changes are contained in Document AFB/B.38/10/Add.2.

- (i) [Paragraph 16]: Given that paragraph 16 of the OPG reflects paragraph 7 of the SPPG, inserting ‘the Adaptation Committee, the Cancun Adaptation Framework, and where applicable, the Least Developed Countries Expert Group (LEG),’ as follows:

16. In developing projects and programmes to be funded under the Fund, eligible developing country Parties may wish to consider the guidance provided in 5/CP.7. Parties may also consult information included in reports from the Intergovernmental Panel on Climate Change (IPCC) and the Adaptation Committee, and information generated under the Nairobi Work Programme (NWP) on Impacts, Vulnerability and Adaptation to Climate Change, the Cancun Adaptation Framework and, where applicable, Least Developed Countries Expert Group (LEG).

- (iv) [Paragraph 25]: amending to reflect decision 3/CMP.16, paragraph 6 and decision 13/CMA, paragraph 7, as follows:

25. The Fund shall finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol and the Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change.

- (v) [Paragraph 26]: Reference of ‘paragraph 10’ of the SPPG would need to be adjusted from 10 to “12” if the Board adopts the proposed amendment of the SPPG.

- (vi) [Paragraphs 54-58]: deleting the section of Project/Programme Formulation Assistance Grants (paras. 54-58) as the PFA Grant is no longer provided by the Fund. If the Board approves to delete this section, the following paragraph numbering needs to be adjusted.

- (vii) [Paragraph 59]: Reflect the fact that ‘South-South Cooperation’ Grant is replaced with ‘Readiness Package Grant’ in the section title and paragraph 59, as follows:

Readiness Grants for Technical Assistance and ~~South-South Cooperation~~ Readiness Package Grant

59. Accredited NIEs are eligible to submit a request for a Technical Assistance Grant for the Environmental and Social Policy and Gender Policy and for ~~the Readiness Package South-South Cooperation Grant~~. Funding will only be reserved for a readiness grant after the approval of a grant proposal/project document

Draft Board Decision

30. Having considered decision 3/CMP.16 and decision 13/CMA.3, documents AFB/B.38/10, AFB/B.38/10/Add.1 and AFB/B.38/10/Add.2, the Adaptation Fund Board (the Board) may want to consider and decide to:

[Option 1]

[a) Amend the Strategic Priorities, Policies and Guidelines of the Fund adopted by the CMP (SPPG) as contained in document AFB/B.38/10/Add.1;

b) Amend the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) as contained in document AFB/B.38/10/Add.2;

c) Request the secretariat to include the following, in the Report of the Board to the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its seventeenth session (CMP 17) and the Conference of the Parties serving as meeting of the Parties to the Paris Agreement at its fourth session (CMA 4):

(i) the Board's consideration and decision on the amended SPPG and the amended OPG as per decision 3/CMP.16 and decision 13/CMA.3;

(ii) the amended SPPG and the amended OPG;

(iii) the Board's invitation to CMP to adopt the amended SPPG and to take note of the amended OPG, at its seventeenth session.]

[Option 2]

[a) Request the secretariat to prepare a proposal for the amendment of the Strategic Priorities, Policies and Guidelines of the Fund adopted by the CMP (SPPG) and for the amendment of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) by reflecting the Board's discussions made at the thirty-eighth meeting;

b) Request the secretariat to present a document containing a proposal for the respective amendment of the SPPG and the OPG, at the thirty-ninth meeting for Board's consideration and decision.]