



ADAPTATION FUND

AFB/B.40/8
16 January 2023

Adaptation Fund Board
Fortieth meeting
Bonn, Germany, 21–24 March 2023

Agenda item 13

**DECISIONS OF CMP17, CMA4 AND COP27 RELATING TO
THE ADAPTATION FUND AND THE RELEVANT MATTERS TO
BE CONSIDERED BY THE ADAPTATION FUND BOARD**

I. Background

1. At the Glasgow Climate Change Conference in November 2021, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its sixteenth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its third session 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 (the Fund); and (ii) Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board (the Board).¹ Furthermore, the CMP 16 decided: (i) regarding eligible country Parties to access funding from the Fund, to **request the Adaptation Fund Board to amend the relevant operational and policy guidelines, as well as its strategic priorities, policies and guidelines accordingly**²; and (ii) with regard to the decision that Parties to Paris Agreement are eligible for Board membership, to **request the Adaptation Fund Board to amend the relevant procedures and modalities**.³

2. The Board fulfilled the mandates issued under decisions 3/CMP.16, paragraphs 6 and 7, and 13/CMA.3, paragraphs 7 and 8, in 2022 by approving the amendments of the Fund's Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) and the Strategic Priorities, Policies and Guidelines of the Fund (SPPG) at its thirty-ninth meeting⁴ and submitting its recommendation to the CMP at its seventeenth session (CMP 17) that the CMP consider and take any action on, as it deems appropriate, the amendments to the SPPG as approved by the Board at its thirty-ninth meeting. At the Sharm el-Sheikh Climate Change Conference in November 2022, the CMP 17 noted with appreciation the work of the Board on adopting the amended OPG and welcomed the amended SPPG and adopted the amended SPPG.⁵ In addition, the CMA at its fourth session (CMA 4) noted with appreciation the work of the Board on adopting the amended OPG and welcomed the amended SPPG.⁶

3. At the Sharm el-Sheikh Climate Change Conference a number of decisions relating to and/or referring to the Adaptation Fund were made by the CMP 17, CMA 4 and COP at its twenty-seventh session (COP 27). These include: CMP 17 decisions on *the Report of the Adaptation Fund Board for 2022, fourth review of the Adaptation Fund, and Guidance relating to the Clean Development Mechanism (CDM)*; CMA 4 decisions on *Matters relating to the Adaptation Fund, Rules, Modalities and Procedures for the Mechanism Established by Article 6.4 of the Paris Agreement, Matters Relating to the Work Programme Under the Framework for Non-Market Approaches Referred to in Article 6.8 of Paris Agreement, Matters relating to the Least Developed Countries, and Sharm el-Sheikh Implementation Plan*.

¹ [Decision 3/CMP.16](#), paras. 6 and 7 and decision 13/CMA.3, paras. 7 and 8.

² [Decision 3/CMP.16](#), para. 6.

³ [Decision 3/CMP.16](#), paras 6 and 7.

⁴ Board Decision B.39/66.

⁵ [Decision -/CMP.17](#) (Report of the Adaptation Fund Board for 2022), para. 10.

⁶ [Decision -/CMA.4](#) (Matters relating to the Adaptation Fund), para. 11.

4. This document is to present decisions made at Sharm el-Sheikh Climate Change Conference in November 2022, by CMP 17, CMA 4, and COP 27 relating to or referring to the Adaptation Fund and matters to be considered by the Board in response to such decisions.

II. Overview of decisions by CMP17 and CMA 4 relating to or referring to the Adaptation Fund

5. Annex to this document contains decisions by the CMP 17, CMA 4, and COP 27 which provide guidance, recommendation or mandate to the Board as well as a secretariat's proposal for actions to be taken by the Board in response to the respective decisions.

6. Regarding the Report of the Board to CMP and CMA for 2022, the CMP 17 and the CMA 4, among others:

- Welcomed the financial pledges to the Adaptation Fund, noted the outstanding pledged contributions to the Fund and urged Parties to fulfil their pledges as soon as possible;
- Emphasized the importance of continuing to take actions to promote the adequacy and predictability of adaptation finance, taking into account the role of the Fund in delivering dedicated support for adaptation while inviting developed country Parties, including in the context of decision 1/CMA 3, paragraphs 16-18, to scale up their financial contributions to the Fund;
- Noted with appreciation the work of the Board on adopting the amended Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG);
- The amended Strategic Priorities, Policies and Guidelines of the Fund (SPPG) was adopted by the CMP and welcomed by the CMA;
- Encouraged the Board to continue its work on complementarity and coherence with other multilateral climate funds to streamline access modalities for project approval and the interoperability of reporting requirements, as appropriate;
- Requested the Board to adopt a policy on safeguarding against sexual exploitation and abuse and sexual harassment.

7. With respect to the fourth review of the Adaptation Fund, CMP, among others:

- Welcomed the positive results and performance of the Fund, including its relevance, efficiency and effectiveness and recognized the comparative advantage of the Fund, including the speed of the project approval, strategic engagement of stakeholders at the subnational level, various institutional benefits, efficiency of institutional arrangements, enhancement of country ownership in the funding process, direct and regional access modalities and readiness programmes;
- Recognized the lessons learned and progress made since the third review of the Fund, including the launch of new funding windows, the growth of the Fund's project portfolio and the update of the Fund's gender policy and evaluation policy, while acknowledging opportunities for improvement with regard to, inter alia, instruments, financial windows and knowledge management;

- Encouraged the Adaptation Fund to strengthen ongoing efforts related to promoting resilience measures, improving policies and regulation, innovation, and development and diffusion of innovative adaptation practices, tools and technologies;
 - Also encouraged the Board to continue to enhance access to the Fund, including by: strengthening engagement with and support for building the institutional capacity of national implementing entities (NIEs); expediting the disbursement of approved adaptation grants; further strengthening coherence and complementarity in order to facilitate streamlining access modalities, as appropriate, including for accreditation, and scaling up Adaptation Fund projects; and further improving geographical and thematic coverage in the accreditation of NIEs and RIEs;
 - Requested the Board to review and update the environmental and social safeguard policy of the Fund, as needed;
 - Requested the Board to increase the gender-responsiveness of the resources provided by the Adaptation Fund;
 - Invited the Board to consider ways to strengthen the engagement of the Fund with the private sector in order to increase private sector participation in adaptation action;
 - Requested the Board to include in its annual report to the CMP 18 and the CMA 5 (November 2023) information on aggregated actual results of projects and programmes funded by the Adaptation Fund, in particular across the Fund's five core indicators, accompanied by qualitative analysis of successes, challenges and lessons learned.
8. Regarding Article 6.4 of the Paris Agreement, the CMA 3, among others:
- Noted that the levels of share of proceeds for administrative expenses contained in annex I, chapter V, are to be reviewed periodically for the sound operation of the Supervisory Body and **for enabling a periodic contribution of funds to the Adaptation Fund**;
 - Further noted that, for **the monetary contributions from individual Article 6.4 activities to the Adaptation Fund** in accordance with the rules, modalities and procedures for the mechanism, **the Supervisory Body agreed to deduct 3 per cent of the issuance fee** paid for each request for issuance of Article 6.4, emission reductions (6.4ERs) and **collectively transfer them annually to the Adaptation Fund**;
 - Noted that **the level of and process for monetary contributions** from individual Article 6.4 activities **to the Adaptation Fund may be modified by the Supervisory Body** in future on the basis of its review of the implementation of the provision thereon;
 - Decided that **the level and frequency of a periodic contribution** from the remaining funds received from the share of proceeds for administrative expenses **to the Adaptation Fund shall be determined by the CMA** on the basis of annual reviews of the status of those funds;
 - Pursuant to paragraph 58 of the rules, modalities and procedures for the mechanism established by Article 6.4 of the Paris Agreement (RMPs), the mechanism registry administrator **shall forward 5 per cent of issued authorized Art.6.4 emission reduction (A6.4ERs) and mitigation contribution A6.4ERs in the pending account immediately to the share of proceeds for adaptation account held by the Adaptation**

Fund and, if the issued A6.4ERs are authorized, shall distinguish the forwarding as effecting a first transfer. This first transfer shall be subject to a corresponding adjustment;

- ***The Adaptation Fund Board and its support structure shall develop and implement a strategy on monetizing A6.4ERs in the share of proceeds for adaptation account held by the Adaptation Fund in the mechanism registry, and inform the state of monetization annually to the CMA;***
- Pursuant to paragraph 67(b) of the RMPs, the [UNFCCC] secretariat shall ***transfer the monetary contributions from individual Article 6.4 activities as set by the Supervisory Body to the Adaptation Fund annually;***

III. Matters to be considered by the Board in response to decisions by CMP 17 and CMA 4 relating to the Adaptation Fund

9. In response to decisions of CMP 17 and CMA 4 relating to the Fund, four matters are proposed to be considered by the Board at this meeting.

(1) A policy on safeguarding against sexual exploitation and abuse and sexual harassment

10. The CMP 17 and CMA 4 requested the Board to adopt a policy on safeguarding against sexual exploitation and abuse and sexual harassment (SEAH).⁷ In response to this mandate, the Board may want to consider requesting the secretariat to prepare a document with options for a SEAH policy and present it to the Board at its forty-first meeting.

(2) Review and update of the environmental and social safeguard

11. The CMP 17 requested the Board to review and update the environmental and social safeguard policy of the Adaptation Fund, as needed.⁸ The Adaptation Fund's Environmental and Social Policy (ESP) was adopted by the Board in 2013 and amended in 2016. In response to the CMP's mandate, the Board may want to consider requesting the secretariat to conduct a review of the Fund's ESP and prepare a proposal for an update of the ESP as needed, for the Board's consideration at its forty-first meeting.

(3) A strategy on monetizing Article 6.4 Emission Reductions (A6.4ERs)

12. The CMA 4 decision on the rules, modalities and procedures for the mechanism established by Article 6.4 of the Paris Agreement mandates, in its Annex I, paragraph 60 that *the Adaptation Fund Board and its support structure shall develop and implement a strategy on monetizing A6.4ERs in the share of proceeds for adaptation account held by the Adaptation Fund*

⁷ [Decision -/CMP.17](#) (Report of the Adaptation Fund Board for 2022), para. 13; [Decision -/CMA.4](#) (Matters relating to the Adaptation Fund), para.12.

⁸ [Decision -/CMP.17](#) (Fourth review of the Adaptation Fund), para. 15.

*in the mechanism registry, and inform the state of monetization annually to the CMA.*⁹ In response to this mandate, the secretariat has held consultations with the UNFCCC secretariat and the trustee after the Sharm el-Sheikh Climate Change Conference with a view to better understanding the development on the mechanism established by Article 6.4 of the Paris Agreement in relation to the Adaptation Fund and any actions to be taken by the Board, its secretariat, and the trustee.

13. Summary of the secretariat's consultations with the UNFCCC Secretariat and the trustee includes the following:

- There will be three types of shares of proceeds for the Adaptation Fund under Article 6.4 of the Paris Agreement:
 - (i) Paris Agreement Article 6.4 Emission Reductions (A6.4ERs; in-kind): five percent of A6.4ERs at issuance
 - (ii) Monetary contribution: (a) three percent of issuance fee paid for each request for issuance of A6.4ERs, to be transferred annually; and (b) periodic monetary contributions from individual A6.4 activities, of which level, frequency and process to be determined by the Supervisory Body
 - (iii) Transfer of eligible certified emission reductions (CERs) under CDM to Art.6.4 registry for the use of CERs towards NDCs, as a temporary measure or transitioning activities: the transfer requires host countries' approval, and the process for the transfer needs to be decided by the CMA. It's not yet clear how this affects the CERs held in the Adaptation Fund.
- A6.4ERs will be able to be issued only after the mechanism for Art. 6.4 becomes fully operational and Art.6.4 activities are registered. This may occur at the earliest, in early 2024, and more detailed rules still need to be developed by the Supervisory Body (e.g., Art.6.4. activities standards, cycle, procedure, and validation, etc.):
- As of the date of this report, it is still premature to develop a strategy for A6.4ERs as further rules and procedures need to be established to operationalize the 6.4 mechanism.

14. The Board approved the [CER Monetization Guidelines](#) contained in Annex IV to the report of the fourth Board meeting in March 2009.¹⁰ The [amended CER Monetization Guidelines](#) were approved by the Board at its seventeenth meeting in March 2012. [The CER Monetization Guidelines were amended](#)¹¹ at the eighteenth Board meeting in September 2012. [The Monetization Guidelines was amended](#) again in March 2015 to incorporate the monetization of other carbon assets to be added to the Adaptation Fund Share of Proceeds (specifically assigned amount units (AAUs) and emission reduction units (ERUs)).¹²

15. Regarding the CMA 4 mandate to develop and implement a strategy on monetizing A6.4ERs in the share of proceeds for adaptation account held by the Adaptation Fund in the

⁹ Decision -/CMA.4 (Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement), Annex I, para.60

¹⁰ Board decision B.4/3.

¹¹ Amended and Restated CER Monetization Guidelines is contained in [Annex VII of the Report of the 18th meeting of the Board](#).

¹² Board decision B.25/18.

mechanism registry, and inform the state of monetization annually to the CMA, consultations with the UNFCCC Secretariat and the trustee noted that it would be premature and not feasible to develop the strategy on monetization of A6.4ERs at this moment because further rules and procedure for the mechanism for Art. 6.4 need to be developed for the mechanism to become operational. Accordingly, the secretariat and the trustee will continue engaging with the UNFCCC Secretariat in order to stay abreast of the development of A6.4ERs mechanism in relation to the Adaptation Fund bearing the CMA 4 mandate in mind.

16. In response to the CMA mandate on a new monetization strategy, the Board may want to consider requesting the secretariat and the trustee to continue consultations with the UNFCCC secretariat and any other relevant stakeholders with a view to developing a strategy on monetization of A6.4ERs in a timely manner and report to the Board on the status of the work at the forty-first meeting.

(4) Arrangements for the Fund's transition from the Kyoto Protocol to Paris Agreement

17. Decision 1/CMP.14, paragraph 2, states that the Adaptation Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol once the share of proceeds under the Article 6.4 of the Paris Agreement becomes available. In this regard, the development of the Paris Agreement Art.6.4 mechanism is closely linked to the Fund's transition from the Kyoto Protocol to the Paris Agreement, and therefore, the secretariat has continued consultations with, in particular, the UNFCCC secretariat and the trustee to stay abreast of the relevant information with a view to support the Board in preparing for a smooth and timely transition of the Fund to the Paris Agreement.

18. The secretariat's consultations with the UNFCCC and the trustee that have held so far since 2019 found the following, among others:

- The term of 'becomes available' in decision 1/CMP.14, paragraph 2, which triggers the Fund's transition is not clearly defined. [Trustee shared its view¹³](#) at the second session of the Board meeting (June 2019) that from the trustee perspective, "*it could be envisioned that the assets would only be available for use by the Fund at such time as **they can be monetized, and the proceeds allocated by the Board for concrete adaptation projects and programmes.***" And this would not be possible until the Terms and Conditions for the trustee services signed between the CMP and the World Bank as the trustee (T&Cs) were amended to permit this. Before amending T&Cs, the trustee would also need to take due diligence on the implications of monetizing new carbon assets);
- It would be important to harmonize the processes for the Fund's transition from Kyoto Protocol to the Paris Agreement, and clarifications may be needed whether additional decisions or guidance from the CMP and CMA are required in relation to the Fund's transition. In this regard, outlining the sequence of the processes for the Fund's transition may be beneficial to ensure the smooth and timely transition of the Fund as well as to prevent any disruption of the Fund's operations.

19. With respect to the arrangements for the Fund's transition from the Kyoto Protocol to the Paris Agreement, the Board may want to consider requesting the secretariat to continue

¹³ Annex I to Board document AFB/B.33.b/3.

consultations with the UNFCCC secretariat, the trustee, and any other relevant stakeholders with a view to preparing for the arrangements for the Fund's transition from the Kyoto Protocol to the Paris Agreement in a timely manner and as per decision 1/CMP.14, paragraph 2, and report the status of the work at the forty-first meeting for the Board's consideration.

IV. Conclusion

20. Considering decisions of CMP 17 and CMA 4 relating to the Fund and the information presented above, the secretariat proposes the below recommendation for the Board's consideration.

Recommendation

21. Having considered decisions taken by the CMP at its seventeenth session and CMA at its fourth session relating to the Fund and document AFB/B.40/X and its Annex, the Adaptation Fund Board (the Board) may want to consider and decide to:

- a) Request the secretariat to conduct a review of the Environmental and Social Policy of the Adaptation Fund (ESP) with a view to updating the ESP, prepare a proposal for an update of the ESP as necessary and present them at its forty-first meeting for Board's consideration;
- b) Request the secretariat to prepare a document with options for a policy on safeguarding against sexual exploitation and present it at the forty-first meeting for Board's consideration;
- c) Request the secretariat and the trustee to continue consultations with the UNFCCC Secretariat and any other relevant stakeholders with a view to developing a strategy on monetization of Article 6.4 emission reductions (A6.4ERs) in a timely manner and report the status of the work at the forty-first meeting for Board's consideration;
- d) Request the secretariat to continue consultations with the UNFCCC Secretariat, the trustee, and any other relevant stakeholders with a view to preparing the arrangements for the Fund's transition from the Kyoto Protocol to Paris Agreement in a timely manner and as per Decision 1/CMP.14, paragraph 2, and report the status of the work at the forty-first meeting for Board's consideration.

Annex: CMP17/CMA4/COP27 Decisions relating to the Adaptation Fund & proposed actions by the Board/its secretariat

Relevant Decision/Guidance	Proposed actions by the Board /its secretariat
<u>CMP17 decision on Report of the AFB for 2022</u>	
<p>10. Notes with appreciation the work of the Adaptation Fund Board on adopting the amended operational policies and guidelines¹ for developing country Parties to access resources from the Adaptation Fund and adopts the amended strategic priorities, policies and guidelines of the Adaptation Fund;²</p>	<p>The Board fulfilled the mandate by CMP16 decision and CMA 3 decision related to the update of SPPG. No additional action required by the Board and its secretariat in 2023.</p>
<p>11. Requests the AFB to consider, in line with its mandate and decision 1/CMP.3, providing support for country-driven adaptation projects and programmes in developing countries with a view to assisting them in enhancing implementation of their national adaptation plans (NAP) and other voluntary adaptation planning processes</p> <p>❖ CMA 4 decision on matters relating to AF (para 16): Encourages the Adaptation Fund to support developing country Parties that are particularly vulnerable to the adverse effects of climate change, in particular the least developed countries and small island developing States, in implementing their NAP and adaptation communications, including those submitted as adaptation components of NDCs;</p>	<p>Ongoing efforts.</p>
<p>12. Takes note of the Board's work on complementarity and coherence with other multilateral climate funds with respect to accreditation and other areas of operations and encourages the AFB to continue this work to streamline access modalities for project approval and the interoperability of reporting requirements, as appropriate;</p> <p>❖ same language in CMA 4 decision on AF, para. 20</p>	<p>The Board supported by its secretariat to continue work on complementarity and coherence, considering this mandate of streamlining access modalities for project approval and the interoperability of reporting requirements as appropriate.</p>

¹ See Adaptation Fund Board document AFB/B.39/9/Add.2.

² See Adaptation Fund Board document AFB/B.39/9/Add.1.

<p>13. Requests the AFB to adopt a policy on safeguarding against sexual exploitation and abuse and sexual harassment</p> <ul style="list-style-type: none"> ❖ CMA 4 decision on matters relating to the AF, para. 12 : Invites the Board to adopt a policy on safeguarding against sexual exploitation and abuse and sexual harassment 	<p>Proposed to the Board to consider at its 40th meeting (March 2023) requesting its secretariat to prepare a document with options for a SEAH policy and present it for the Board's consideration at 41st meeting (October 2023)</p>
<p><u>CMP17 decision on 4th Review of AF</u></p>	
<p>5. Encourages the Adaptation Fund to strengthen ongoing efforts related to promoting resilience measures, improving policies and regulation, innovation, and development and diffusion of innovative adaptation practices, tools and technologies;</p>	<p>Ongoing work under the Fund's Medium-term Strategy (2023-2027)</p>
<p>12. Notes the resource mobilization strategy of the Adaptation Fund (2017–2020),³ which refers for the first time to subnational governments, the private sector and charitable foundations as possible additional sources of finance for the Adaptation Fund and encourages the AFB to continue its efforts to mobilize finance from a variety of sources under its next resource mobilization strategy (2022–2025);</p>	<p>Ongoing work under the Fund's resource mobilization strategy (2022-2025).</p>
<p>13. Also encourages the AFB to continue to enhance access to the Fund, including by:</p> <ul style="list-style-type: none"> (a) Strengthening engagement with and support for building the institutional capacity of national implementing entities; (b) Expediting the disbursement of approved adaptation grants; (c) Further strengthening coherence and complementarity between the Adaptation Fund and other institutions funding adaptation projects and programmes, including the Green Climate Fund, in order to facilitate streamlining access modalities, as appropriate, including for accreditation, and scaling up Adaptation Fund projects; (d) Further improving geographical and thematic coverage in the accreditation of national and regional implementing entities; 	<p>Ongoing work under the Fund's Medium-term Strategy (2023-2027)</p>
<p>14. Requests the AFB to include in its annual report to the CMP at its eighteenth session and the CMA at its fifth session (November 2023) information on aggregated actual results of projects and programmes funded by the Adaptation Fund, in particular across the Fund's five core indicators, accompanied by qualitative analysis of successes, challenges and lessons learned;</p> <ul style="list-style-type: none"> ❖ Same language in para 13 of CMA 4 decision on matters relating to AF 	<p>The Board supported by its secretariat to consider and provide an update, through its report to CMP 17.</p>

³ See Adaptation Fund Board document AFB/B.32/Inf.6.

<p>15. Also requests the Board to review and update the environmental and social safeguard policy of the Adaptation Fund, as needed;</p>	<p><i>The Board supported by its secretariat to consider and request, at its 40th meeting (March 2023), its secretariat to launch the review of the Fund's ESP and submit a proposal for an update of the ESP as needed to the Board at its 41st meeting (October 2023).</i></p>
<p>16. Further requests the Board to increase the gender-responsiveness of the resources provided by the Adaptation Fund;</p>	<p><i>Ongoing work by the Board and its secretariat under the Medium-term Strategy (2023-2027) as well as Gender Policy and Gender Action Plan</i></p>
<p>17. Invites the Board to consider ways to strengthen the engagement of the Adaptation Fund with the private sector in order to increase private sector participation in adaptation action;</p>	<p><i>The Board supported by its secretariat to consider way to strengthen the Fund's engagement with private sector in order to increase private sector participation in adaptation action in the context of the Medium-term Strategy (2023-2027), and ongoing work related to the full cost of adaptation reasoning.</i></p>
<p>18. Notes that some Adaptation Fund policy and guidance documents and readiness activities are available or conducted in multiple official languages of the United Nations and invites the AFB to continue to strengthen its provision of support and country engagement at the regional level;</p>	<p><i>The Board supported by its secretariat to consider continuing to strengthen support provision and country engagement at the regional level.</i></p>
<p>19. Requests the Subsidiary Body for Implementation at its sixty-second session (June 2025) to initiate the fifth review of the Adaptation Fund in accordance with the terms of reference contained in the annex to decision 4/CMP.16, or as amended, and to report back to its governing bodies at the session to be convened in conjunction with the thirty-first session of the Conference of the Parties (2026);</p> <p>20. Notes the recommendation of the Subsidiary Body for Implementation that subsequent reviews of the Adaptation Fund include a request for the secretariat to prepare a technical paper on the review, including inputs and submissions from Parties, for consideration by the Subsidiary Body for Implementation at its session that follows the adoption of the relevant terms of reference, to allow for substantive engagement.</p>	<p><i>No additional action required from the Board and its secretariat in 2023.</i></p>

CMP 17 decision on Guidance relating to the Clean Development Mechanism

11. **Requests the Executive Board**, in coordination with the Supervisory Body and taking into account the timelines for implementing the mechanism registry and any relevant future decisions of the CMP and the CMA, to

- (a) **Develop and implement a procedure for project participants and Parties holding eligible certified emission reductions in the clean development mechanism registry, as well as the Trustee of the Adaptation Fund,**⁴ to request the transfer of such certified emission reductions to the mechanism registry, **noting that** such project participants, Parties and **the Trustee of the Adaptation Fund shall provide, in their transfer requests:**
- (i) *The serial numbers of the eligible certified emission reductions requested to be transferred;*
 - (ii) *The details of their receiving accounts in the mechanism registry to which the certified emission reductions are to be transferred; . . .*

No additional action required from the Board and its secretariat in 2023.

CMA 4 decision on Sharm el-Sheikh Implementation Plan

40. *Also recognizes the centrality of the role of the Adaptation Fund in the climate finance architecture, welcomes the new pledges made at this session, urges all contributors to fulfil their pledges in a timely manner and invites the contributors to ensure the sustainability of the resources of the Fund;*

No additional action required from the Board and its secretariat in 2023.

CMA 4 decision on Matters relating to AF

12. **Requests the AFB**, 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;**

The Board supported by its secretariat to consider and provide an update, through its report to CMA 5 on its activities and scope of support in relation to assisting developing countries Parties to the PA, including information described in this decision, para. 12 (a) –(c).

⁴ For transfers of eligible certified emission reductions from the Adaptation Fund account.

<p>(b) Institutional capacity-building in countries aimed at enhancing access to the Adaptation Fund;</p> <p>(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</p>	
<p>13. Also requests the Adaptation Fund Board to include in its annual report to the CMA at its fifth session (November 2023) an update on its progress in assisting developing country Parties in meeting their adaptation commitments under the Paris Agreement</p>	<p>The Board supported by its secretariat to consider and provide an update, through its report to CMA 5.</p>
<p>18.. Requests the SBI to continue consideration of matters relating to membership of the Adaptation Fund Board at its fifty-eighth session (June 2023) as needed, in view of the Adaptation Fund's transition to exclusively serve the Paris Agreement;</p>	<p>To be done by the SBI at 58th session (June 2023). No action needed from the Board currently.</p>
<p>19. Encourages AFB 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 AFB;</p>	<p>The Board supported by its secretariat to continue its consideration of its rules of procedure in the context of serving the PA</p>
<p><u>CMA 4 decision on PA Art.6.4 (Guidance on the mechanism established by Paris Agreement, Art. 6.4)</u></p>	
<p>13. Notes that the levels of share of proceeds for administrative expenses contained in annex I, chapter V, are to be reviewed periodically⁵ for the sound operation of the Supervisory Body and for enabling a periodic contribution of funds to the Adaptation Fund;</p>	<p>No additional action required from the Board and its secretariat in 2023.</p>
<p>15. Further notes that, for the monetary contributions from individual Article 6, paragraph 4, activities to the Adaptation Fund in accordance with the rules, modalities and procedures for the mechanism,⁶ the Supervisory Body agreed to deduct 3 per cent of the issuance fee paid for each request for issuance of Art. 6.4, emission reductions and collectively transfer them annually to the Adaptation Fund</p>	<p>No additional action required from the Board and its secretariat in 2023.</p>

⁵ See decision 3/CMA.3, para.8

⁶ Decision 3/CMA.3, annex, para. 67(b).

<p>16. Notes that the level of and process for monetary contributions from individual Article 6, paragraph 4, activities to the Adaptation Fund may be modified by the Supervisory Body in future on the basis of its review of the implementation of the provision thereon;</p>	<p><i>No additional action required from the Board and its secretariat in 2023.</i></p>
<p>17. Decides that the level and frequency of a periodic contribution from the remaining funds received from the share of proceeds for administrative expenses to the Adaptation Fund shall be determined by the CMA on the basis of annual reviews of the status of those funds;</p>	<p><i>No additional action required from the Board and its secretariat in 2023.</i></p>
<p>Annex I (Elaboration of the processes defined in the rules, modalities and procedures (RMPs) for the mechanism established by PA Art. 6.4)</p> <p>Para. 18: The transfer of certified emission reductions (CERs) to the mechanism registry referred to in chapter VI of the RMPs that are eligible for such transfer as per paragraph 75 of the RMPs (eligible CERs), when the transfer is initiated by the project participants or the Parties holding eligible CERs in the CDM registry or the Trustee of the Adaptation Fund in accordance with the modalities contained in decision -/CMP.17, shall be communicated by the CDM Registry Administrator to the mechanism registry administrator in accordance with the modalities contained in that decision and any other relevant guidance of the CMP. The transfer data shall include the full serial numbers of the eligible CERs and the identification of the receiving account. All transfer data shall be subject to a reconciliation process to be developed and implemented by the registry administrators of the two registries (the secretariat).</p> <p>Para. 39. <i>Pursuant to paragraph 58 of the RMPs, the mechanism registry administrator shall forward 5 per cent of issued authorized A6.4ERs and mitigation contribution A6.4ERs in the pending account immediately to the share of proceeds for adaptation account held by the Adaptation Fund and, if the issued A6.4ERs are authorized, shall distinguish the forwarding as effecting a first transfer. This first transfer shall be subject to a corresponding adjustment.</i></p> <p>Para. 60: The Adaptation Fund Board and its support structure shall develop and implement a strategy on monetizing A6.4ERs in the share of proceeds for adaptation account held by the Adaptation Fund in the mechanism registry, and inform the state of monetization annually to the CMA.</p>	<p><i>No additional action required from the Board and its secretariat in 2023.</i></p> <p><i>No additional action required from the Board and its secretariat in 2023.</i></p> <p><i>Ongoing work: Consultations among the AFB Secretariat, the trustee and the UNFCCC secretariat on this mandate have started.</i></p>

<p>Para.61: Pursuant to paragraph 67(b) of the RMPs, the secretariat shall transfer the monetary contributions from individual Article 6.4 activities as set by the Supervisory Body to the Adaptation Fund annually.</p> <p>Para. 62: Pursuant to paragraph 67(c) of the RMPs, the Supervisory Body shall review annually the state of the remaining funds as a result of the income from the fees referred to in paragraphs 50–55 above and the expenditure for operating the Article 6.4 mechanism, decide the timing and the amount of funds to be transferred to the Adaptation Fund after setting aside the operational reserve for at least three years based on the projection of surplus of funds, implement the transfer accordingly and report to the CMA on the state of the transfer annually.</p>	<p>No additional action required from the Board and its secretariat in 2023.</p> <p>No additional action required from the Board and its secretariat in 2023.</p>
<p><u>CMA 4 decision on Art. 6.8 of PA (Matters relating to the work programme under the framework for non-market approaches referred to in Art. 6.8 of PA)</u></p>	
<p>18. Requests the Chair of the SBSTA, as the convenor of the Glasgow Committee on Non-market Approaches, to invite representatives of relevant UNFCCC constituted bodies and institutional arrangements under or serving the Paris Agreement and/or the Convention, which may include the Adaptation Fund, the Climate Technology Centre and Network, the Global Environment Facility, the Green Climate Fund, the Local Communities and Indigenous Peoples Platform, the Paris Committee on Capacity-building, the Standing Committee on Finance and the Technology Executive Committee, to a meeting held in conjunction with the fifty-eighth session of the SBSTA (June 2023) and organized with the assistance of the secretariat, with the aim of enhancing collaboration between the Glasgow Committee and relevant constituted bodies and institutional arrangements under or serving the Paris Agreement and/or the Convention, as necessary, taking into account their respective mandates;</p>	<p>The Board or its secretariat to attend, upon invitation by SBSTA, to a meeting to be held in conjunction with the 58th session of SBSTA (June 2023) (with the aim of enhancing collaboration b/w the Glasgow Committee and relevant constituted bodies and institutional arrangements under or serving the Paris Agreement and/or the Convention)</p>
<p><u>CMA 4 decision on Matters relating to the Least Developed Countries</u></p>	
<p>Annex: Rules of Procedure of the Least Developed Countries Expert Group (LEG):</p> <p>Para. 57. The LEG shall invite the secretariats of the Green Climate Fund, the Global Environment Facility and the Adaptation Fund to its meetings to discuss collaboration in supporting the LDCs.</p>	<p>Upon invitation by LDCs, AF to attend the LDC Expert Group (LEG) meeting collaboration.</p>

<u>COP27 decision on Join work on implementation of climate action on agriculture and food security</u>	
<p>5: Welcomes the participation of representatives of constituted bodies, the operating entities of the Financial Mechanism,⁷ the Adaptation Fund, the Special Climate Change Fund, the Least Developed Countries Fund and observer organizations in workshops under the Koronivia joint work on agriculture;</p>	<p><i>No additional action required from the Board and its secretariat in 2023.</i></p>
<p>14: <i>Requests the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the SBI to establish the four-year Sharm el-Sheikh joint work on implementation of climate action on agriculture and food security, including implementation of the outcomes of the Koronivia joint work on agriculture and previous activities addressing issues related to agriculture,⁸ as well as future topics, recognizing that solutions are context-specific and take into account national circumstances, with the following objectives:</i></p> <p style="text-align: center;">. . .</p> <p>(b) Enhancing coherence, synergies, coordination, communication and interaction between Parties, constituted bodies and workstreams, the operating entities of the Financial Mechanism, the Adaptation Fund, the LDCF and the SCCF in order to facilitate the implementation of action to address issues related to agriculture and food security; . . .</p>	<p><i>No additional action required from the Board and its secretariat in 2023.</i></p>
<p>15: <i>Also requests the secretariat to support the joint work referred to in paragraph 14 above by:</i></p> <p><i>(a) Preparing an annual synthesis report on the work undertaken by constituted bodies and financial and other entities under the Convention, as well as by relevant international organizations, on activities related to the joint work referred to in paragraph 14 above;</i></p> <p><i>(b) Holding in-session workshops in hybrid format, facilitating both virtual and in-person participation, on agreed topics related to agriculture and food security at the first regular sessions of the subsidiary bodies each year and inviting representatives of the constituted bodies under the Convention, the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the Special Climate Change Fund and observers to them;</i></p>	<p><i>AFB Secretariat to attend in-session workshop, upon the invitation of the UNFCCC secretariat.</i></p>

⁷ The GEF and the GCF.

⁸ See documents FCCC/SBSTA/2014/INF.2, FCCC/SBSTA/2015/INF.6, FCCC/SBSTA/2015/INF.7, FCCC/SBSTA/2016/INF.5 and FCCC/SBSTA/2016/INF.6

<u>COP27 decision on long-term climate finance</u>	
5. Welcomes the recent pledges made to the Adaptation Fund (totaling USD 211.58 M) and to the LDCF (totaling USD 70.6 M), the SCCF (totaling 35.0 M), and the eighth replenishment of the GEF (totaling USD 5.33 B and with a climate-related finance target of no less than 80 per cent of all funding commitments in the eighth replenishment period), and urges developed country Parties to fulfil their pledges on time;	<i>No additional action required from the Board and its secretariat in 2023.</i>
8. Also reiterates that a significant amount of adaptation finance should flow through the operating entities of the Financial Mechanism, the Adaptation Fund , the Least Developed Countries Fund and the Special Climate Change Fund;	<i>No additional action required from the Board and its secretariat in 2023.</i>
<u>COP27 decision on Gender & Climate Change: Intermediate review of the implementation of gender action plan</u>	
3. Notes the compilation and <u>synthesis report by the secretariat on good practices for integrating gender into the work of the UNFCCC constituted bodies</u> ⁹ and notes with appreciation the work of the constituted bodies in advancing gender equality and the empowerment of women and contributing to the implementation of the gender action plan, including at the national level;	<i>No additional action required from the Board and its secretariat in 2023.</i>
17. Invites Parties, United Nations entities, constituted bodies , implementing entities and other relevant stakeholders to enhance implementation of the gender action plan, including the amendments contained in the annex	<i>The Board, supported by its secretariat, to continue contributing the enhanced implementation of the gender action plan.</i>

⁹ FCCC/SBI/2022/INF.5.