



Adaptation Fund Board  
Forty-sixth meeting  
Bonn, Germany

## **Status of the Transition of the Adaptation Fund to Exclusively Serve the Paris Agreement**

### **Strategic Issues**

- a) In 2018, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided that “the Adaptation fund (the 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 decision on this matter made by the CMP”. CMA also recommended to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (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” (Decision 13/CMA.1).
- b) In 2018, upon this recommendation by CMA, 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”, and that the Adaptation Fund shall continue to receive share of proceeds, if available, from activities under Articles 6, 12 and 17 of the Kyoto Protocol. It took note of the CMA decision that the Fund shall serve the Paris Agreement under the guidance of the CMA and be accountable to the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019 (Decision 1/CMP.14).
- c) In 2018, CMP requested the Adaptation Fund Board to consider the rules of procedure of the Board, the arrangements of the Fund with respect to the Paris Agreement and any other matter so as to ensure the Fund serves the Paris Agreement smoothly; to consider the 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; and to make recommendations to CMP 15 with a view to the recommendations being forwarded to the CMA 2 (December 2019) (Decision 1/CMP.14, paragraph 6).
- d) In 2022 and 2023, CMA encouraged 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 Implementation (SBI) has concluded consideration of matters related to membership of the Board (Decisions 12/CMA.5 and 18/CMA.4).
- e) In 2024, CMP and CMA encouraged the Board to complete, as a matter of priority, its work related to implementing its mandates in decision 1/CMP.14 and 13/CMA.1 and to report thereon in its annual report to the CMP 20 and the CMA 7 (Decisions 2/CMP.19 and 13/CMA.6). In addition, CMP and CMA requested SBI to consider, at its 62<sup>nd</sup> session (June 2025), the matter of the arrangements for the Adaptation Fund to exclusively serve the Paris Agreement and to make recommendations on this matter consideration by the CMP 20 and CMA 7 (Decisions 2/CMP.19 and 13/CMA.6).

## **Purpose**

1. This board document is to support the Board's continuing discussion on the matter of the status of the arrangements for the Adaptation Fund's transition from the Kyoto Protocol to exclusively serve the Paris Agreement, in response to Board decision B.43/32 and relevant decisions by the CMP and CMA related to the Fund's transition as described above.

## **Recommended Decision**

2. The Adaptation Fund Board (the Board), having considered document AFB/B.46/6 and its addenda, decides:
  - (a) To take note of the updates from the Secretariat, the UNFCCC Secretariat, and the Trustee regarding the ongoing work in support of the arrangements for the transition of the Adaptation Fund to exclusively serve the Paris Agreement;
  - (b) To express its intention to further revise and finalize the draft Terms and Conditions and the draft Memorandum of Understanding regarding secretariat services, in consultation with key stakeholders, as appropriate, taking into account any additional guidance that may be provided by the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol and/or the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement, as applicable, regarding the Adaptation Fund's transition to exclusively serve the Paris Agreement.

## **Background**

3. At its 40<sup>th</sup> meeting in March 2023, the Board considered decisions taken by CMP17 and CMA4 related to the Fund and decided to request the Secretariat to continue consultations with the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), the Trustee and any other relevant stakeholders with a view to the timely preparation of the arrangements for the transition of the Fund from the Kyoto Protocol to the Paris Agreement, as per decision 1/CMP.14, paragraph 2, and report on the status of the work to the Board at its 41<sup>st</sup> meeting (Decision B.40/80).
4. At its 41<sup>st</sup> meeting in October 2023, the Board considered document AFB/B.41/9 and its annexes and addendum and decided to request the Secretariat to prepare draft amendments to the Memorandum of Understanding regarding Secretariat services, the Rules of Procedure, the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, and the Strategic Priorities, Policies and Guidelines in the context of the transition of the Adaptation Fund from the Kyoto Protocol to the Paris Agreement and report on the status of the work to the Board at its 42<sup>nd</sup> meeting. It also requested the Secretariat and the Trustee to continue consultations with the UNFCCC Secretariat with a view to the timely development of a new terms and conditions for the Trustee services and a strategy on monetization of Article 6, paragraph 4, emission reductions (A6.4ERs) and to report on the status of the work to the Board at its 42<sup>nd</sup> meeting (Decision B.41/38).
5. At its 42<sup>nd</sup> meeting in April 2023, the Board considered confidential document AFB/B.42/13 and its addenda in a closed session and decided to request the Secretariat to: launch a consultation, including a survey, collect input from the Board on drafts the amendments to the memorandum of understanding regarding Secretariat services, the rules of procedure, the operational policies and guidelines for parties to access resources from the Fund and the strategic priorities, policies and guidelines in the context of the transition of the Fund from the Kyoto Protocol to the Paris Agreement, respectively contained in documents AFB/B.42/13/Add.1, AFB/B.42/13/Add.2,

AFB/B.42/13/Add.3 and AFB/B.42/13/Add.4, during the intersessional period between the 42<sup>nd</sup> and 43<sup>rd</sup> meetings of the Board; and update the drafts of the amendments to the instruments referred to in subparagraph (a) (ii), taking into consideration and reflecting the discussion of the Board at its 42<sup>nd</sup> meeting and the input received through the consultation, and present the outcome of the work to the Board for consideration at its 43<sup>rd</sup> meeting. It also requested the Trustee to prepare drafts of new terms and conditions of Trustee services and a strategy on monetization of the A6.4Es and present to its 43<sup>rd</sup> meeting (Decision B.42/58).

6. At its 43<sup>rd</sup> meeting, the Board considered the results of the Board's input from the survey conducted per decision B.42/58 and the draft amendments to the instruments related to the arrangements for the Fund's transition to exclusively serve the Paris Agreement and decided to continue considering the matter of the arrangements for the transition of the Fund from the Kyoto Protocol to the Paris Agreement at its 44<sup>th</sup> meeting (Decision B.43/22).
7. In response to Decision B.43/22, in order to support the Board's deliberations at its 44<sup>th</sup> meeting on the transition of the Fund to exclusively serve the Paris Agreement, in consultation with the Chair of the Board, the Secretariat commissioned an independent analysis by two independent expert consultants. The experts were chosen for their independence, familiarity with the mandate of the Fund, the history and complexity of decisions by the CMP and the CMA regarding the Adaptation Fund.
8. The independent consultants' work focused on three areas: (1) identification of key issues that may require clarification by the Board for it to successfully serve the Paris Agreement; (2) suggestions regarding what issues the Adaptation Fund Board can or should make proposals on for the consideration of the Parties, and what issues the Adaptation Fund Board should entirely refer for guidance from or decision by the Parties; and (3) suggestions regarding what specific governance features and functions would enable the Board to best serve the Paris Agreement.
9. The Board considered the consultants' report at its 44<sup>th</sup> meeting and decided to continue considering the matter of the arrangements for the transition of the Fund from the Kyoto Protocol to the Paris Agreement at its 45<sup>th</sup> meeting.
10. At SB62 in June 2025, the SBI considered the membership of the Board, the arrangements for the Adaptation Fund to exclusively serve the Paris Agreement and the fifth review of the Adaptation Fund, producing a [co-facilitators' informal note](#) and a [conference room paper](#).
11. At its 45<sup>th</sup> meeting in October 2025, in response to decision 1/CMP.14, the Board as part of work to support the transition of the Adaptation Fund to exclusively serve the Paris Agreement considered a draft new terms and conditions prepared by the World Bank as trustee and the Memorandum of Understanding regarding the provision of secretariat services by the Global Environment Facility (GEF) to the Adaptation Fund Board.
12. At SBI63 in November 2025, the SBI continued to consider the membership of the Board, the arrangements for the Adaptation Fund to exclusively serve the Paris Agreement and the fifth review of the Adaptation Fund. However, the SBI could not conclude its consideration of these matters and therefore agreed to forward this matter to CMP 20 and CMA 7 for further consideration.
13. CMP20 and CMA 7 considered these matters on the basis of the work undertaken at SBI 63 but were also unable to reach a conclusion. Therefore, CMP20 and CMA 7 requested SBI 64 (June 2026) to continue consideration of matters relating to the membership of the Adaptation Fund Board, the matter of the arrangements for the Adaptation Fund to exclusively serve the Paris

Agreement and the fifth review of the Adaptation Fund on the basis of the work undertaken at SBI 63 available [on the UNFCCC website](#). CMP20 and CMA7 also noted that this work does not represent agreement among Parties, does not prejudice further work or prevent Parties from expressing their views in the future, nor does it prejudice the number of draft decisions on these matters that Parties may wish to recommend or consider.

14. Additionally, CMP 20 and CMA 7 acknowledged the continued work of the Adaptation Fund Board at its meeting in October 2025 to support the transition of the Adaptation Fund to exclusively serving the Paris Agreement and requested the Board to complete, as a matter of priority, its consideration of this matter with a view to preparing for a smooth transition and prompt monetization of the share of proceeds under Article 6, paragraph 4, of the Paris Agreement (Decision -/CMP.20 and -/CMA.7)).
15. The Secretariat has conducted regular meetings with the key stakeholders on this matter, including the UNFCCC secretariat and the Trustee, to stay updated on the developments regarding the Article 6 mechanism and how it relates to the Adaptation Fund. Discussions have included the state of play of the Paris Agreement Article 6.4 mechanism, the transfer of CERs to Article 6.4 Emission Reductions, the status of the share of proceeds under the Clean Development Mechanism related to the Adaptation Fund, as well as the the Fund's potential to receive the share of proceeds from Article 6.2, as suggested by Parties. The UNFCCC Article 6 team has been invited to provide an update to the Board on current work on the Article 6.4 mechanism and Article 6.2 shares of proceeds.
16. To support the Board's continued consideration of arrangements for the transition of the Adaptation Fund to exclusively serve the Paris Agreement in response to relevant decisions by CMP and CMA, and without prejudging the outcomes of SBI 64, CMP 21, or CMA 8, confidential addenda submitted to the Board at the 45<sup>th</sup> meeting, along with the confidential draft Memorandum of Understanding regarding secretariat services which captures the deliberations of the Board at the 45<sup>th</sup> meeting, are being shared with the Board separately. The confidential addenda are as follows:
  - (a) AFB/B.46/6/Add.1: Trustee's Discussion Note (submitted to the Board at its 45<sup>th</sup> meeting in October 2025);
  - (b) AFB/B.46/6/Add.2: Draft Agreement on the Terms and Conditions to be provided by the International Bank for Reconstruction and Development as Trustee for the Adaptation Fund (submitted to the Board at its 45<sup>th</sup> meeting in October 2025);
  - (c) AFB/B.46/6/Add.3: Arrangements for the AF Transition (Initially submitted to the Board at its 43<sup>rd</sup> meeting in October 2024 and recirculated to the Board at its 44<sup>th</sup> meeting in April 2025 and at its 45<sup>th</sup> meeting in October 2025];
  - (d) AFB/B.46/6/Add.4: Memorandum of Understanding regarding Secretariat Services to the Adaptation Fund Board (Initially submitted to the Board at its 43<sup>rd</sup> meeting in October 2024 and recirculated to the Board at its 44<sup>th</sup> meeting in April 2025 and at its 45<sup>th</sup> meeting in October 2025);
  - (e) AFB/B.46/6/Add.5: Memorandum of Understanding regarding Secretariat Services to the Adaptation Fund Board (N.B.: This document captures the deliberations of the Board at its forty-fifth meeting regarding the Memorandum of Understanding regarding secretariat services in the context of the arrangements for the Fund's transition to exclusively serving the Paris Agreement. While it has not been formally adopted by the Board it captures work the

Board did at its 45<sup>th</sup> meeting in October 2025 and is being shared for information as a working document without limiting or prejudging the future work, views, or decisions of the Board or the CMP and the CMA);

- (f) AFB/B.46/6/Add.6: Rules of Procedure of the Adaptation Fund Board (Initially submitted to the Board at its 43<sup>rd</sup> meeting in October 2024 and recirculated to the Board at its 44<sup>th</sup> meeting in April 2025 and at its 45<sup>th</sup> meeting in October 2025);
- (g) AFB/B.46/6/Add.7: Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) (Initially submitted to the Board at its 43<sup>rd</sup> meeting in October 2024 and recirculated to the Board at its 44<sup>th</sup> meeting in April 2025 and at its 45<sup>th</sup> meeting in October 2025);
- (h) AFB/B.46/6/Add.8: Strategic Priorities, Policies, and Guidelines of the Adaptation Fund (SPPG) (Initially submitted to the Board at its 43<sup>rd</sup> meeting in October 2024 and recirculated to the Board at its 44<sup>th</sup> meeting in April 2025 and at its 45<sup>th</sup> meeting in October 2025);
- (i) AFB/B.46/6/Add.9: Compilation of the Intersessional (B.43-43) Survey on Rules of Procedure, the MOU regarding secretariat services, and SPPG, in the context of the Fund's transition to the Paris Agreement (Initially submitted to the Board at its 43<sup>rd</sup> meeting in October 2024 and recirculated to the Board at its 44<sup>th</sup> meeting in April 2025 and at its 45<sup>th</sup> meeting in October 2025).