



Government of the Republic of Vanuatu

Submission of Views on the TOR of the Fourth Review of the Adaptation Fund

Issue: Fourth review of the Adaptation Fund

Mandate: FCCC/SBI/2021/L.19 Para. 3

Call: Parties to the Kyoto Protocol, Parties to the Paris Agreement and observer organizations, as well as other interested international organizations, stakeholders and non-governmental 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

Body/Session for Consideration: SBI 56

Vanuatu deems it essential to have the fourth review of the Adaptation Fund completed in 2022. Vanuatu seeks to support the proposed work of the 'intersessional' to progress a common understanding on the process, timeline and elements of the terms of reference.

In response to the call for submission of views on the TOR of the 4th Review of the Adaptation Fund, Vanuatu would like to share its views on components that could- be included to update the terms of reference. This is with specific respect to:

a) technical support and updates;

Vanuatu provides the following suggestions on the TOR [in blue font] below:

Terms of reference for the fourth review of the Adaptation Fund

Objective [of the fourth review]

The objective of the fourth review of the Adaptation Fund is to ensure the effectiveness, sustainability and adequacy of the fund and its operations. This must include operations related to the role that the Adaptation Fund plays to serve the Paris Agreement and the Global Goal on Adaptation. A decision on this must be adopted at CMP17 and CMA4.

Scope 2.

The scope of the review will cover the progress made to date and lessons learned in the operationalization and implementation of the fund and will focus on, inter alia:

a) The provision of sustainable, predictable and adequate financial resources and the mobilization of financial resources to fund concrete adaptation projects and programmes that are country-driven and based on the needs, views and priorities of eligible developing country Parties;

b) Lessons learned from:

Comment: The scope of the review can include lessons learnt from the design and functionality of the Innovation facility and specifically how SIDS can access funds, fully utilize the funds and appropriately report on the use of funds.

- (i) The application of the access modalities of the Adaptation Fund, including its operational policies and guidelines, including its Streamlined Accreditation Process;
- (ii) The project approval procedures of the Adaptation Fund;
This would also include special support for project design and guidance during approval procedures. Particularly as stipulated in Article 9.9¹ of the Paris Agreement², special processes and support should be specified for SIDS and LDCs. 'There is a need to fast-track the development of tailored systems and processes by large international funding sources to address the unique challenges of SIDS towards accessing funding opportunities.'
- (iii) (iii) The results and impacts of approved adaptation projects and programmes;
- (iv) The readiness programme for direct access to climate finance, including the component aimed at increasing South–South cooperation between accredited national implementing entities and those seeking accreditation;
Comment: Special support and streamlined processes for SIDS and LDCs seeking accreditation should be made here to increase the amount of funds flowing to and being utilized by SIDS and LDCs
- (v) The pilot programme for regional projects;

c) Programming and project coherence and complementarity between the Adaptation Fund and other institutions funding adaptation projects and programmes, in particular institutions under the Convention and the operating entities of the Financial Mechanism and its specialized funds;

d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

Sources of information

The review shall draw upon, inter alia, the following sources of information:

a) Submissions from Parties to the Kyoto Protocol, and from Parties to the Paris Agreement, observer organizations, other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and implementing entities accredited by the Adaptation Fund Board on their experiences regarding the Adaptation Fund;

¹ The institutions serving this Agreement, including the operating entities of the Financial Mechanism of the Convention, shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States, in the context of their national climate strategies and plans.

² Available at https://unfccc.int/sites/default/files/english_paris_agreement.pdf

- b) The annual reports of the Global Environment Facility (GEF) to the Conference of the Parties (COP) on its activities as an operating entity of the Financial Mechanism, including the information on the Least Developed Countries Fund and the Special Climate Change Fund, and other relevant GEF policy, information and evaluation documents;
- c) The annual reports of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the Financial Mechanism and other relevant GCF policy and information documents;
- d) The report of the Adaptation Fund Board to the CMP, the Adaptation Fund annual performance report for the most recent fiscal year and the outcomes of the initial and second reviews of the Adaptation Fund;
- e) The outcomes and reports emanating from United Nations processes, relevant bilateral and multilateral funding institutions and other intergovernmental and nongovernmental organizations dealing with climate change financing;
- f) The reports of the Standing Committee on Finance;
- g) The reports on the work programme on long-term finance;

[Comment: Reports pertaining to Article 9\(5\)³ of the Paris Agreement can be included here \[New Collective Quantified Goal on Climate Finance and the proposed Report of the SCF on progress towards achieving the CF goal\]](#)

- h) The reports of the Least Developed Countries Expert Group, the Adaptation Committee, and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention;

[Comment: Point h above should include other constituted bodies.](#)

- (i) The technical paper and summary for policymakers arising from the technical examination process on adaptation in 2020;
- (ii) The reports on the independent evaluation of the Adaptation Fund (phase two) and the midterm review of the implementation of the Medium-term Strategy (2018–2022) of the Adaptation Fund.

³ Developed country Parties shall biennially communicate indicative quantitative and qualitative information related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.