Countries Affirm in Closing Hours of COP22: The Adaptation Fund Should Serve the Paris Agreement

Final Marrakech Decisions Reflect Strong, Growing Support for Fund

Marrakech, Morocco (November 19, 2016) -- The COP22 climate conference in Marrakech concluded in the very early morning hours of Nov. 19 on a positive note for the Adaptation Fund, as countries demonstrated wide and growing support for the Fund by including it in the final text of the conference and deciding to advance it another pivotal step forward toward serving the landmark Paris Agreement.

During the last days into the final hours of COP22, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided that “the Adaptation Fund should serve the Paris Agreement” following subsequent decisions to be taken at COP24 in 2018 that address the Fund’s governance, institutional arrangements, safeguards and operating modalities.

The decision represents significant progress in the Fund’s roadmap to serving the Paris Agreement since it was included in the original decisions adopting the agreement last year in Paris, which stated that the Fund “may serve the agreement” subject to a process that began during COP21 and continued into Marrakech.

The CMA also decided at COP22 to continue to oversee implementation of the Paris Agreement and to accelerate its work.

“This is excellent news and represents a significant step forward,” said Adaptation Fund Board Chair Naresh Sharma. “It’s a strong signal from countries that the Adaptation Fund’s work is highly effective and relevant in delivering concrete adaptation projects to the most vulnerable communities in developing countries.”

The change in language from “may” to “should” followed strong and wide support expressed from developing countries for the Fund’s work and a growing, strong base of other country and contributor government supporters.

The Conference of the Parties (COP) also made final COP22 decisions regarding the Fund, requesting the Ad Hoc Working Group on the Paris Agreement (APA) to address the governance, institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement in the course of carrying out the necessary preparatory work on the Fund in this regard. COP also invited its Parties to submit views on the governance, institutional
arrangements, safeguards and operating modalities for the Fund to serve the Paris Agreement by March 31, 2017.

The Adaptation Fund already has a solid foundation and operating structure, and is making positive impacts through its projects happening on the ground throughout the world. Furthermore, its environmental, social and gender policies promoting human rights, gender equality, biodiversity conservation and vulnerable groups have been prescient in aligning closely with the human rights principles of the Paris Agreement. The Fund also underwent an independent evaluation last year that showed it to be effective, efficient and relevant, as well as an innovative learning institution by pioneering climate finance modalities such as Direct Access.

The Fund carries significant added value in serving the Paris Agreement because it can help improve the balance between adaptation and mitigation funding through delivery of its concrete adaptation projects to developing countries, especially through direct access. The universal Paris Agreement is aimed at both reducing global emissions and building climate resilience.

The final decisions came after early positive signs during COP22 for the Adaptation Fund, when on the first day of the conference the COP moved the process of the Fund serving the Paris Agreement forward and the APA decided to begin the necessary preparatory work to advance the issue further. APA discussions then started and continued at various points during the conference, leading to the eventual CMA and COP decisions.

Momentum for those decisions grew as the conference went along, with NGOs and developing countries voicing strong support for the Fund and its concrete, localized adaptation projects as well as its Direct Access modality – which gives developing countries the opportunity to access finance and develop projects directly through accredited national implementing entities while building their own capacity to adapt to climate change.

Further strong messages of support materialized during the Fund’s Contributor Dialogue on Nov. 17, when several developed country governments came forward to announce new contributions for the Fund. Combined pledges from Germany, Sweden, Italy and the Belgium regions of Flanders and Wallonia totaled about US$ 81 million, which pushed the Fund over its 2016 US$ 80 million resource mobilization goal for COP22.

“This was an absolutely positive conference for the Adaptation Fund, with two major successes,” said Adaptation Fund Interim Manager Mikko Ollikainen. “First, we surpassed our resource mobilization target, which will enable us to help meet growing demand for projects and reach more vulnerable communities in developing countries with urgently needed adaptation solutions. It reaffirms confidence in the Fund’s work and the importance of adaptation among a growing base of contributors. Second, the stronger language toward serving the Paris Agreement is a clear improvement over earlier language and further validates our work as being pivotal toward serving the Agreement’s goals – which call for a balance between adaptation and mitigation.”
The Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP) additionally made a few decisions welcoming the Fund’s report to it earlier in the week, and acknowledging the Fund’s rising growth and demand. The CMP encouraged the Adaptation Fund to continue forming linkages with other funds, including the Green Climate Fund. It also highlighted evaluation of the Fund’s innovative work in adaptation finance and meeting developing countries’ needs, helping countries advance implementation of important measures at the national and subnational levels, and its policies creating a solid foundation for operational success.

Currently there are 192 country Parties to the Kyoto Protocol and 195 countries that agreed to adopt the Paris Agreement (112 Parties have ratified it to date). The UNFCCC has 197 Parties.

ABOUT the ADAPTATION FUND

The Adaptation Fund was established under the Kyoto Protocol and currently has committed US$ 358 million for 55 concrete projects to help 48 vulnerable countries adapt and build resilience to climate change, benefiting more than 3.7 million direct beneficiaries. It has an additional pipeline of about US$ 230 million in project submissions being developed for funding.

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