



ADAPTATION FUND

Report by the Adaptation Fund Board Chair Mr. Michael Kracht (to be delivered by the Vice-Chair, Mr. Victor Viñas), to the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its thirteenth session

1. Mr. President of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, distinguished delegates, representatives of the civil society, ladies, and gentlemen.
2. During this conference, the Adaptation Fund celebrates the 10th anniversary of the launching of its operations. Therefore, it is a special honor to present to you the work undertaken in 2017 by the Adaptation Fund Board.
3. Mr. President, I have three key messages to deliver to the CMP. First, the Fund has never been more in demand. Second, the Fund is delivering effectively on its mandate. Third, the Fund is already serving the operationalization of the Paris Agreement.
4. Allow me first to address the increasing demand for support from the Fund. In this reporting period the demand again grew by over one-third, and reached a historic high with 54 funding proposals received for consideration, with a total amount of requested funding of over 350 million dollars. We therefore have a very strong pipeline, including both single-country and regional projects and programmes. To date, the Fund has allocated 462 million dollars to 70 concrete adaptation projects and programmes in 58 countries, directly benefiting almost 5.5 million people. This year alone, the Fund has allocated 104.6 million dollars to new projects and programmes.
5. Our pioneering work on direct access is a factor leading to the increased demand. The number of countries with accredited National Implementing Entities has increased to 26. Similarly, the amount of funding requested by National Implementing Entities has constantly increased. Moreover, there is high demand for the Fund's climate finance readiness programme activities which are effectively supporting the accreditation process and improving the submission of quality direct access proposals.
6. Mr. President, as I mentioned earlier, the Fund is delivering effectively on its mandate. The first comprehensive evaluation of the Fund's portfolio is underway, and we are confident it will further demonstrate the Fund's positive impact to the most vulnerable communities and that



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it provides good value for money. Through replication and scaling-up of activities, our adaptation projects have a clear potential to be transformative.

7. The Board has taken active steps to further strengthen its operations by adopting, at its thirtieth meeting last month, a medium-term strategy for 2018-2022, which is built on the three pillars of concrete adaptation action, innovation and learning and sharing.

8. We have high levels of demand for the Fund, a strong project pipeline, and we are delivering effectively on our mandate. This is the great news. But we are still facing a severe challenge to the sustainability of the Fund, primarily triggered by a collapse in the carbon market which was originally intended to be the Fund's main source of revenue.

9. Mr. President, the Board has set a resource mobilization target of 80 million dollars per year for 2016 - 2017. Last year, we surpassed this target after receiving contributions amounting to 81.4 million dollars. We are grateful to the governments of Germany, Sweden, Italy, and of the Flanders, Walloon and Brussels-Capital regions of Belgium for their generous contributions towards the 2016 target that have all been paid in. We have received one pledge towards the 2017 target so far, from Germany to the amount of 50 million Euro, of which we are very grateful. Considering the pipeline and the increasing demand, we are on track to disburse all our funds within the next year, and we rely on commitments of governments to ensure sustainability.

10. I would also like to report that as mandated by the CMP through decision 2/CMP.12, paragraph 11, the Board has continued discussing extensively potential linkages with the Green Climate Fund, and at its thirtieth meeting, the Board decided to both initiate a process towards accreditation with the GCF, and to assess options for fund-to-fund arrangements. Furthermore, the two secretariats are collaborating and building complementarity between the funds.

11. Mr. President, the Adaptation Fund is an innovative, flexible, and unique climate fund, which enables resources to reach beneficiaries in a swift and transparent manner. It is the only climate adaptation fund that targets the most vulnerable communities as a strategic priority and that has concrete direct access projects and programmes under implementation on the ground.

12. In Paris and in Marrakech, Parties have taken steps to ensure that the Fund continues to deliver on its mandate, by putting in place the roadmap through decisions taken by the COP, the



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CMP and the CMA, according to which the Fund should formally serve the Paris Agreement subsequent to a series of decisions.

13. Mr. President, I want to convey to you that the Fund is actually already serving to operationalize the Paris Agreement through its concrete projects and pioneering finance mechanisms like Direct Access that help countries build capacity to adapt to climate change. We hope the Parties will formally acknowledge this by completing the roadmap.

14. Today, the Fund needs your support to make it more financially sustainable and institutionally predictable so that it continues its important and effective work for another 10 years and beyond.

Thank you Mr. President.