

Excellencies, distinguished guests, and colleagues.

As the Adaptation Fund embarks on its 10<sup>th</sup> anniversary next year, it approaches this important milestone on solid foundations.

It stands as the pioneer of Direct Access – which gives developing countries the opportunity to access climate finance and develop adaptation projects directly through accredited national implementing entities while building their own capacity to adapt to climate change.

The Fund now has 43 entities accredited to implement projects across the globe. Of those, 25 are national implementing entities under Direct Access -- with about 40% in least developed countries and small island developing states. Just two weeks ago, Armenia became the first country in Eastern Europe with Direct Access when its national entity was accredited by the Fund.

The Fund remains in high demand. For the second straight year, it received project proposals with a record amount of requested funding.

Its portfolio continues to grow, with 55 approved adaptation and resilience projects in 48 countries, and US \$357.5 million committed to help more than 3.7 million direct beneficiaries.

The provision of funding for concrete, localized adaptation projects to the most vulnerable communities in developing countries forms the hallmark of the Fund, and gives it a clear role in the global climate finance landscape.

The Fund's projects also have great potential to be replicated or scaled up, and there are several examples of this already taking place in countries like Costa Rica and Pakistan. Its national implementing entities in Senegal and Morocco have also demonstrated how early Adaptation Fund project support and accreditation can catalyze climate finance from other funds such as the Green Climate Fund.

An Independent Evaluation last year further showed the Fund to be effective, efficient and relevant in its work, and having value as a learning institution through its innovative projects and programs.

Its environmental, social and gender policies have been prescient in promoting human rights, gender equality, conservation and the needs of vulnerable groups.

Its alternative streamlined accreditation process has opened doors to climate finance for smaller organizations and states suffering from climate change impacts. And its popular Pilot Programme for Regional Projects helps address climate change issues that cross borders.

However, the Fund is still in search of the financial sustainability necessary to keep pace with its rising demand. The active pipeline of projects that have been submitted to the Fund but are not yet approved totals US\$ 200 million. Approval of those projects would deplete the resources of the Fund as early as the end of 2017.

We have set a resource mobilization goal of US\$ 80 million through the end of the year to help meet this growing pipeline. I would like to thank the governments of Wallonia and Germany for coming forward yesterday with generous pledges, which bring us to about US \$ 58 million toward our goal of US 80 million dollars.

The decisions approving the Paris Agreement last year also noted that the Fund may serve the agreement subject to a process that is already underway. Two positive steps forward were taken along this roadmap at COP22, when the Conference of the Parties moved the process forward and the Ad Hoc Working Group on the Paris Agreement agreed to undertake the necessary work to advance the issue.

These moves reflect growing momentum for the Fund's inclusion in the Agreement, and recognition among countries of the Fund's unique role in helping to close the global adaptation gap by continuing to fund its country-driven projects.

THANK YOU.