

**Draft text
on**

**APA 1.7 agenda item 8
Adaptation Fund**

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Draft text

Revised third iteration

Draft text produced under the APA Co-Chairs' responsibility

[The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling decisions 1/CMP.3, 1/CMP.4 and 1/CMP.13,

Emphasizing the added value and comparative advantage of the Adaptation Fund in providing support to developing countries,

Noting the need to ensure the sustainability, adequacy and predictability of funding for the Adaptation Fund,

I. Governance

1. *Decides* that the Adaptation Fund shall serve the Paris Agreement under the [authority and] guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement effective 1 January [2019][2020] [subject to the decision on this matter to be taken by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;]
2. *[Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol [decide, at its fifteenth session (November 2019),] that the Adaptation Fund shall [exclusively] serve the Paris Agreement effective [1 January][31 December] 2020;]
3. *[Invites* the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol to decide that the Adaptation Fund shall no longer serve the Kyoto Protocol as of the date specified in paragraph [2] above;]
4. *[Decides* that in accordance with paragraph [2] above, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement will transmit guidance on matters relating to the Paris Agreement to the Adaptation Fund Board;]
5. *[Invites* the Conference of the Parties to consider designating the Adaptation Fund as an operating entity of the Financial Mechanism of the Convention in accordance with Article 11 of the Convention;]
6. *[Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol decide that the Adaptation Fund shall exclusively serve the Paris Agreement with immediate effect;]

II. Composition of the Adaptation Fund Board

7. *Decides* that in accordance with decision 1/CMP.3, paragraph 6, the Adaptation Fund Board shall comprise members and their alternates representing Parties to the Kyoto Protocol and Parties to the Paris Agreement;

8. *[Also decides* that the Board shall comprise X additional members and their alternates representing Parties that contribute to the Adaptation Fund;]

III. Operating modalities

9. *Requests* the Adaptation Fund Board to enhance complementarity and coordination with the entities entrusted with the operation of the Financial Mechanism and other funds, entities and channels of climate change financing outside the Adaptation Fund with a view to enhancing the support provided and mobilized to developing countries to implement the adaptation actions under the Paris Agreement;

10. *Decides* that the Adaptation Fund Board 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;

IV. Eligibility

11. *Also decides* that, from the date that the Adaptation Fund begins to serve the Paris Agreement, developing country Parties to the Paris Agreement that are particularly vulnerable to the adverse effects of climate change will be eligible for funding from the Adaptation Fund to assist them in meeting the costs of adaptation, in accordance with decision 1/CMP.3, paragraph 1, mutatis mutandis;

V. Sources of funding

12. *Further decides* that when the Adaptation Fund serves the Paris Agreement it shall be financed from [X] per cent of activities funded under the share of proceeds from the mechanism established by [Article 6] [Article 6, paragraph 4, of the Paris Agreement] as well as by a variety of public and private sources;

13. *Requests* the Adaptation Fund Board, in consultation with the interim trustee, to conclude arrangements to implement the activities contained in paragraph [X] [above][below];

14. *Encourages* the provision of voluntary support;

15. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol decide that the Adaptation Fund will continue to be financed by the activities under Articles 6, 12 and 17 of the Kyoto Protocol;

VI. Requests of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to the Adaptation Fund Board

16. *Requests* the Adaptation Fund Board to consider the rules of procedure of the Board, the arrangements of the Adaptation Fund with respect to the Paris Agreement and the implications of the Adaptation Fund receiving the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol after [1 January][31 December] 2020, with a view to forwarding recommendations to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session (November 2019);

17. [*Also requests* the Adaptation Fund Board to review the operating modalities, policies and guidelines of the Adaptation Fund, including its environmental and social safeguards, anti-money laundering system, fiduciary risk management and disclosure policies and independent accountability mechanism, and to revise them as appropriate to ensure that the Adaptation Fund Board policies are in accordance with international best practices;]

18. *Further requests* the Adaptation Fund Board to consider the need for possible changes to the operational modalities, policies and guidelines of the Adaptation Fund, and to forward recommendations on these matters for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session.]

Draft decision -/CMP.14

[The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling decision 1/CMP.13,

I. Governance

1. *Takes note* of decision -/CMA.1 whereby the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement decided that the Adaptation Fund shall serve the Paris Agreement under the [authority and] guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement effective 1 January 2019;¹

2. *[Decides* that the Adaptation Fund shall exclusively serve the Paris Agreement and shall no longer serve the Kyoto Protocol effective [1 January][31 December] 2020;]

II. Composition of the Adaptation Fund Board

3. *Also decides* that in accordance with decision 1/CMP.3, paragraph 6, the Adaptation Fund Board shall comprise members and their alternates representing Parties to the Kyoto Protocol and Parties to the Paris Agreement;

4. *[Further decides* that the Board shall comprise [X] additional members and their alternates representing Parties that contribute to the Adaptation Fund;]

III. Sources of funding

5. *Decides*, pursuant to paragraph 2 above[, to consider, at its next session, whether] the Adaptation Fund shall continue to receive the share of proceeds from activities under Articles 6, 12 and 17 of the Kyoto Protocol;

VII. Requests of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to the Adaptation Fund Board

6. *Takes note* of X/CMA.1, paragraphs [13] to [15], on the requests from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to the Adaptation Fund Board.]

¹ Draft decision proposed under agenda item [x] of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at the third part of its first session.