

Submission of India on behalf of the Like-Minded Developing Countries (LMDC) On Fourth Review of the Adaptation Fund

- The role of Adaptation Fund as a dedicated fund for adaptation is very crucial. Considering the importance, the last Board meeting has successfully agreed of doubling the country cap to US\$ 20 million. The adequacy of fund still remains an issue and further scaling up of fund with credible trust, ambition and transparency from the developed country Parties is an important requirement for climate resilient future.
- It is the main tool for adaptation projects for developing countries. Demand for finance therefore will be increasing as we move ahead and hence, it is vital that developed countries sufficiently finance the Adaptation Fund. Developed countries must ensure sustainable, adequate, timely and predictable replenishment of the Adaptation Fund. There are several projects in the pipeline waiting for funding.
- The fourth review of the Adaptation Fund rightly highlights the pivotal need for adaptation financing to developing countries. Adaptation for us is not an option, it is our top priority. Our focus is on the significance of ensuring adaptation finance in terms of adequacy, predictability, and sustainability. We speak of balance between mitigation and adaptation funding but the reality is that adaptation funding is far lower than mitigation funding. Efforts must be made to scale up financing for adaptation and bring it on par with financing for mitigation.
- The Convention and its Paris Agreement make it abundantly clear that it is the legal obligation of developed countries to assist developing countries in meeting costs of adaptation. New and additional public, grant-based finance is a legal obligation however we increasingly note a disturbing challenge of decline in public finance for both mitigation and adaptation with grant financing at a very lower share and the rest in the form of loans and other non-grant instruments.
- The Direct access modality should be ensured for all Adaptation finances to be accessed by developing countries to adapt and build resilience to counter changing climate conditions in sectors ranging from agriculture and food security to coastal zones and urban areas.
- In terms of sources of funding, it is important that funds from Article 6 share of proceeds, both from 6.2 and 6.4, are used for adaptation financing thus contributing to the Adaptation Fund which will now also serve the Paris Agreement. We strongly believe that equal treatment of share of proceeds under both Article 6.2 and 6.4 will ensure long-term adaptation finance under the Paris Agreement. In addition, it is noteworthy to mention that adaptation fund cannot survive on Certified Emission reductions (CERs) alone.

- All the above, the countries are spending a significant amount of resources for adaptation to climate variability. However, considerable efforts are still required to strengthen food security, provide adequate housing, access to energy, and ensure full access to basic social services. In view of this, the adaptation actions are required to be viewed from the poverty alleviation and social and economic development as resources has competing demands due to the other development imperatives.
- The global outbreak of COVID 19 will have serious implication on the flows of adaptation finance as a significant part of the population moved into extreme poverty. The pandemic has exacerbated the finance gap in carrying out adaptation actions in developing countries.
- Developing Economies are no exception as the pandemic posed severe challenges to it. To control the rapid spread of the virus, many of Governments had to undertake country wide lock down measures during a significant part of the year 2020. The battle against the pandemic continues in 2021 with recent surge in COVID-19 cases in form of second wave of the virus spread. The localized lockdown/restriction strategies along with the vaccination drive are followed this time to deal with the virus. As a result of that economic uncertainties remained high and expected to remain so in next few more months or years. The uncertainties of the economy will have a severe bearing upon the climate actions, especially in the critical areas for adaptation actions against climate change. More focus on emergency healthcare investment and economic relief has left fewer public resources available for investment in climate resilience.