

## **APA 8 - future role of the Adaptation Fund**

### **Submission by the EU and its Member States on textual elements for the CMA decision in 2018**

WED 2 May @ 18:00

#### **General views on the APA preparatory work**

This submission complements the EU and its Member States' submission of 8<sup>th</sup> November 2017, in which we set out our view in detail, and which is attached to the cofacilitators' note of 14<sup>th</sup> of November.

The CMP13 decision of November means that the CMP allows the AF to serve the Paris Agreement. This is conditional on a CMA decision that accepts that the AF serves the Paris Agreement and defines "how". The CMP decision delegates the "how" to be decided by the CMA. (1/CMP13, para 12). Our preparatory work under the APA prepares that CMA decision to be taken at COP24, addressing the issues set out in the cofacilitators note of 14 November 2017.

In addition, the CMP addressed separately the issue of whether, and from which point in time, the AF would stop serving the Kyoto Protocol and from then on *only* serve the Paris Agreement. This can only be decided by the CMP. Decision 1/CMP13 has asked the CMA for a recommendation in this regard, so that the CMP can decide on it in 2019. Our preparatory work should address this issue and the CMA should provide this recommendation at COP24.

On this basis the EU and its Member States consider that the CMA should decide and recommend the following at COP24. **The following inputs focus on "Governance and institutional arrangements":**

1. The CMA decides on the starting date from which the AF serves the PA. This should be 2020 or 2021.
2. From the date the Adaptation Fund serves the Paris Agreement, the Adaptation Fund operates under the guidance of, and reports annually to, the CMA.
3. The Adaptation Fund is not an operating entity of the financial mechanism.
4. Placeholder on Board Composition: The current composition of the Board has worked well. Potential revision of the composition depends on the outcome of the preparatory work, for instance sources of funding.
5. Applying existing guidance: There is existing guidance that the CMP has given to the Adaptation Fund in the past. That guidance applies to the Adaptation Fund serving the Kyoto Protocol. The CMA has to decide to what extent that existing guidance shall apply *mutandis mutandis* to the Adaptation Fund serving the Paris Agreement.
6. Secretariat and Trustee: The CMA (i) invites the AFB, its interim Secretariat and interim Trustee to check and consult on whether their current arrangements are sufficient for them to serve the Adaptation Fund also under the Paris Agreement, and (ii) to prepare amendments if necessary, and (iii) to report back to the CMA.

7. The CMA recommends to the CMP that the AF stops serving the KP from 2020/2021. There should be continuity of the Adaptation Fund's work and project funding. //