

APA agenda item 8: Informal consultations on issues related to Adaptation Fund

13 November 2017

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13 November 2017- COP23- Bonn, Germany- AH Upper Conference Room (Bula 2)

Start time: 15:15; End time: 16:06

Note taker: Anna McGinn- anna.mcgin@maine.edu- University of Maine (Badge through Dickinson College as Alum)

Notes for short hand

Blue- pretty much a direct quote

Bold- emphasis by the parties

AF- Adaptation Fund

AFB- Adaptation Fund Board

PA- Paris Agreement

KP- Kyoto Protocol

[]- note taker comments

[Meeting Opens]

Co-facilitator

- We all seem to agree that a CMP and a CMA decision is required
- The timing is still up for discussion
- We think some work can go to others to undertake especially the AFB and the trustee
- Also some convergence on trying to decide on reporting of the AF
- For today: first a conversations on what parties want in a CMP decision and then what they want in a CMA decisions
- We then want to figure out how to capture the note from the G77 and china in our informal note

[Floor is open- no one jumps to it quickly]

Bahamas (on behalf of G77 and China)

- We can agree with you that the description of how you wish to proceed this afternoon
- We are in your hands and we will work with you the best we can
- What goes into CMP decisions
 - G77 and china already submitted a text of what we think
 - We are talking about the adaptation fund which is under the KP...**the first decision has to be that the AF shall serve the Paris Agreement**
 - There is a reason for having to take that step now because of the mechanisms
 - This is step absolute zero
 - At the same time we recognize that until everything else matures under the APA, there will be a time that those instruments under the PA that they may have other funding mechanisms. We are now dealing with the first step.
 - This will at least get the ball rolling

Belize

- Thank you for your work [to co-facilitator] and for teasing out things from conversations
- We think deciding on a CMP decisions is up to the CMP, but we are willing to discuss

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- Agree with G77 and china with some caveats

Mexico

- Mexico fully supports the AF. We recognize its ability to provide direct and efficient access to adaptation projects and we want it to continue function in this manner
- We suggest a transition time that takes place during 2020 or before
- We need to make sure that during this this transition time that the funding stays predictable and sustainable

Argentina (on behalf of Argentina, Brazil, and Uruguay)

- We think it is necessary to have a CMP decision, the proposal that the G77 made is very simple and we believe that this very simple text stating that the AF shall serve the PA and establishing the type of relationship it will have with the CMA- the guidance of the accountable of the CMA.
- The concern of some of our colleagues here is that part about further work
- We think that this is enough, but we are willing to listen to our colleagues and see what else they want to see in the decisions
- Would also like to hear elaboration on some of these elements from parties
- Some parties said they hadn't had time to talk about these elements
- It is time for us to really understand what these concerns are. Our view is that all these elements can be addressed by the parties
- We want to hear the concerns so we can understand each other and have a meaningful dialogues

Switzerland

- Frankly speaking, I don't think we can tell you what is CMP and what is CMA. We know on all elements need decisions. Most need to be made by the CMA
- **The "shall serve" decision will need to be made by the CMP (in agreement with G77, AOSIS, Brazil-Argentina-Uruguay, and LDCs)**
- We prefer the decisions to be made at the same time in 2018
- Maybe the CMP will need to make a decision because there are still CRs coming out of the KP and those need to be forwarded to the CMA- this wouldn't happen until 2020

Philippines

- There has to be a sequences and I believe the decisions speaks of the sequencing
- It is the CMP that makes the decision that the AF shall serve the PA
- It is only then that you trigger all the requests of the other parties about who is going to do governance and institutions
- 2018 is already only one month from now. When are you going to do this? Come on!
- The fact of the matter is that a decision needs to be taken by CMP and then it would be considered by CMA. We are doing the decision through the CMA- the ideal situation is having both the decisions taken now "shall serve the PA"

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- On the APA, there was a request by the secretariat to post everything on the website. I request that all parties look at the decisions have already been made
- If we want to look at institutional arrangements, then we need to look at the body of decisions that have already been taken, but first we need to decide that the AF shall serve
- The non-parties to the Paris Agreement cannot be part of the adaptation fund board under the CMA
- Full support to statement made by Bahamas and Argentina

Norway

- Would like to see the points from Philippines that there is a trigger in the CMP, but at the same time we see this discussion as one complex set of issues. Hard to differentiate between the CMA and CMP discussions. Agree with Belize here. There will need to be adjustments during this time
- I agree that the CMP should take the first decisions, but that is not it. For us the first CMP would just be triggered.

Japan

- Is your suggestion to add elements to the decisions?
- What decisions need to be made in 2018 and what can be done after?
- Looking for more clarification

Co-facilitator

- When we made the informal note, we did it because the parties asked for it
- We tried to include your thoughts and ideas
- Today we are asking which issues could be under CMP and which under CMA
- How to capture the draft of G77 and China in the informal notes
- Also what further work needs to be done and by whom
- Our idea is to explore here with you if we have common group at least on the last iteration
- We want to know if it is agreeable to have another iteration or a last iteration. It is about capturing the progress so far

EU

- We listen with great interest to the views expressed
- Rational for response to question
- We see very much that the CMP needs to make a decisions and then send it to another boss
- The AF would continue to serve the CMP until 2021 and the mandates for those are given by CMP
- We do think that any possible CMP decisions would need to reflect who the AF will serve, from which date, and from which date would the AF only serve
- One day we can deal with sources of funding, but not now [sounds like they are leaving this behind]

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- Would like to see a mandate to the World Bank to check arrangement with current trustee arrangement and go through some other funding trustee relations
- Any further CMP decisions need to have a reference to who it serves
- We suggest that we continue to work with your informal note.

Bahamas

- The EU made a reference to boss- having one boss and then becoming subject to another boss
- The discussion with regard to the Paris Agreement
- The revenue stream is somewhere in the future
 - Switzerland said 2020
 - EU said 2021
- It is our view that taking a decision now just continues the function now until that new job/new boss is figured out
- Understand what the EU is saying- there are a lot of details to look at
- Once you turn this over, there are a lot of consequential things to consider
- We will be able to flush out what the other things are that need to be addressed
- I am not a person that is involved in the nuances of legal contracts
- But in taking a decisions now, there would be a lot of legal work that needs to be done- and that should happen between now and 2020/1. We would have the time to review them and discuss them
- I am reluctant to start detailing our shopping list now. The discussion in regards to the PA will happen in bits and pieces.
- For the sequences we need to pass something so that things can begin to happen and we can figure out how this transition will work

Philippines

- I am sure you are quite aware that the informal note has no legal standing, but a draft decision has a legal standing. We had a legal decision already in Marrakech already tabled by G77 and China. Could be attached to whatever comes out of this.
- Need everyone to check those documents on the website
- What safeguards, what modalities, what more do we need?
- Are we hearing that we are moving the AF from the CMP to the CMA? This applies that the Doha Amendment will never come into force? Is this the intention of our colleagues especially those who are members of the KP?
- We think the until Doha Amendment, the AF should stay under the CMP
- The proposal that the AF be moved into the CMA is that we have no hopes ever of the Doha Amendment coming into force
- Want that to be clearly stated by our partners
- More developed countries have ratified Doha than developing once. We know this is the basis on which we will look at the AF

Australia

- First of all, I will say that we support the proposal to continue working on the informal

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note

- On the specifics, I make three points
 - I have heard a lot of colleagues saying that the CMP needs to decide that the AF shall serve the PA. [The CMP does not have the legal authority to do this](#)
 - [The CMP can only let go of sole authority which is where sequencing come up](#)
 - There have been references on taking the decisions here- I'm not clear on what that is
 - We are working on our mandate that the AF may serve the PA
 - **There is a threshold here- will it serve the PA exclusively, both, or transition period**
 - The Doha Amendment is not relevant here- although we are still committed to pre-2020 ambition

Japan

- My delegation supports your suggestion on the informal note
- CMP doesn't have authority to decide about the AF serving the PA
- [One treaty cannot ask another treaty to do something](#)
- CMP will no longer provide guidance to AF- we just pick a date- that is the basic understanding for us
- The CMP does not have authority or legal rights to move the Fund
- For the proposal of G77 and China- I think they have already been incorporated.

Co-facilitator

- We are over time as we have closed the list. We need to leave the room. Can we add Argentina and China to the list- no, ok- 30 seconds each.

Argentina

- We want the two draft decisions be attached to your note
- [This is the most visual way of understanding what we need to do to make the AF to serve the PA](#)
- The sequences is something we all agree

China

- Support Bahamas about the arrangement of how to progress
- [AF shall serve the PA](#)
- [We can figure out the details later](#)

Co-facilitator

- They will update the informal note and have the last meeting tomorrow.
- Meeting adjourned

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Note taker summary comments:

G77 and China and other developing countries- expressing that we can figure out the details of the AF later, let's just figure out how to make it serve the PA for now and the transition timing

They talk about the sequencing of events- for example should the CMP and CMA make the decision at the same time. Why is the legal authority of the CMP?

Much of the conversations at the end of last week was about sources of funding for the Fund, but as evidenced by the EU's statement, the parties seem to all have collectively agreed to back away from this topic for now

Philippines brings up that if the AF is moved completely from CMP to CMA then Doha Amendment will never enter into force which is a problem for them. Australia doesn't really agree on this and other parties don't take it up.

Seems like the focus of the conclusions from this agenda item if things don't shift too much will be the sequencing of the transition and the substantive details will be hammered out later.