

APA Agenda Item 8: Informal Consultations on Issues Related to the Adaptation Fund

May 07, 2018 – 10:00-11:00, Room Genf

Informal Session Summary:

This session is a continuation of earlier discussions regarding the fate of the Adaptation Fund under the Paris Agreement. As with previous sessions, while Parties seem to principally agree that the Adaptation Fund has a role to play in the Paris climate policy era, substantial divergence remains regarding how that can be achieved. Among these topics are considerations of who will provide guidance to the Adaptation Fund, what operating modalities the Adaptation Fund will need to thrive in this role, and the sorts of safeguards that should be adopted to assure it is achieving its mandate in a sustainable, gender-sensitive, human-rights recognizing manner.

To facilitate this conversation, the UNFCCC co-facilitators have prepared an informal note, which is comprised of several “boxes.” The informal note, which importantly does not have any negotiating status itself, is essentially used to make sure that the views of all Parties are represented and understood so that more substantive discussion can begin. In this case, the co-facilitators suggested that the meeting focus on reviewing the boxes to assure that views were captured appropriately, and, if possible, to begin prioritizing them as negotiation issues to take up in the future.

Before beginning, however, there were two central issues with this approach. First, the informal note was circulated merely two hours before the beginning of this session, meaning few Parties were able to read it and prepare properly, particularly members of G77 countries who were in the midst of meeting with the APA co-chairs at the time. Secondly, Saudi Arabia in particular objected to beginning discussions on the document, primarily because they felt their views were not represented. According to the Saudi Arabian submission, they maintain an interest in altering the Adaptation Fund as little as possible, going so far as to advocate for the creation of a new Adaptation Fund that may exist under the Paris Agreement, while the previous Adaptation Fund continues as it currently does.

Despite this somewhat radical suggestion, the conversation continued and in the latter half of the session began to move to the content of the boxes. Parties were able to provide comments on boxes 1a, 1b, and begin on 1c, which deal with Governance broadly, and guidance, accountability and reporting, timelines, and exclusivity respectively.

At this stage, Parties are interested in continuing the constructive conversation that was beginning, and have specifically requested another meeting, perhaps facilitated by guiding questions from the co-facilitators, where they can engage with the informal note after having more time to prepare.

- *Kevin M. Adams, Stockholm Environment Institute*

Relevant Documents:

[Informal Note, Second Iteration](#)

[Other Files, Including Country Submissions](#)

Open – 11:15

Co-Facilitator

- New version of informal note is available – second iteration.
- Follows similar methodology to first note and reflects all three sections or boxes:
 - Governance
 - Operating Modalities
 - Merged two sections of the previous note
 - Safeguards
- Boxes are intended as a tool for understanding disagreements and engaging on substance
- Revisions have not been made to remove options, but hope to move us forward
- Would like views on revised note, including the questions of the UNFCCC in the Annex
- Would like to begin prioritizing the order of boxes to be discussed

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

- Informal note was issued just a few hours ago and we have not been able to read it. Many of us in the G77 were in a meeting with the APA co-chairs and have not been able to consider this properly. Need another session to achieve something.

Egypt

- Agree with Argentina, this was received around 9:00 today when many of us were meeting with the G77. I would like to get clarification as to the status of the submissions, especially for those of us who had substantive inputs during the discussions.

Switzerland

- Understand concerns that colleagues need time to coordinate.
- Would like to see guided questions from the co-facilitators so we can all prepare before the next session.

Norway

- Respects that others need time to coordinate and engage with this note.
- We are not in a position right now where we will decide on the options, but rather to see whether or not this works as a basis for further negotiation and begin to have a look at the boxes.

Co-Facilitator

- This is our aim, to make sure that the options have been captured.

Saudi Arabia

- We see that some submissions were not taken on board or reflected in any way. One very quick resolution is to have the COP take a decision for the AF to be an operating entity of the financial mechanism, while experts can handle the operational modalities.
- Other suggestions might be to leave the AF the way it is under the KP and create a new one under the PA. This means not touching the existing AF to “kill it, scrap it, or redesign it” just for the sake of making the PA the ultimate reference.
- We do not on a conceptual basis agree for the AF to serve exclusively the PA.

Co-Facilitator

- Our proposal would be to go through the boxes and do exactly this to see if the options are reflected.

Egypt

- Would like to make clear that the informal note is only an informal note – the submissions are the only formal documentation. The submissions form the basis of the negotiation.
- In no way do we see the informal note as a draft text for negotiation, but rather a way in which the co-facilitators are guiding us to getting a more substantive understanding of the issues.

Co-Facilitator

- The informal note is a tool to understand the options that the parties have proposed, but we agree it is not a draft text.

Argentina

- Willing to proceed the way you have suggested, but at the end of the session we need to seriously think about how we would like to proceed.
- We do not want this item to be left at the end of this session – we need another session – but for now let's work with the material you have proposed.

Belize

- Agree with Argentina and understand the pressures of time.
- Happy to move through the note as you propose.
- On the issues of prioritization, we would have preferred to read the document in full.

Co-Facilitator

- We would like to begin moving through the boxes, keeping in mind that at some point we will need to move toward to draft text.

Saudi Arabia

- We do not understand how we can engage on the informal note until everyone's input is reflected. I would not like to do engage until we have captured the views of all the parties.

Co-Facilitator

- We are not entering into negotiations at this moment, so perhaps the best way forward is to look at the boxes and tell us where your views have not been captured.

Norway

- Eager to make progress as you have just suggested.

New Zealand

- Agree with Argentina and would support the idea of an additional session.
- How can we best use the time today? I think Norway's suggestion to work through as you have proposed may be the best way to proceed.

Malawi (on behalf of the LDCs)

- We are ready to make the decision that the AF shall serve the PA and would like to work on the operating modalities at a later date.
- We recognize that some views, particularly from Saudi Arabia, may not have been included and we would like to encourage the co-facilitators to make sure all views have been captured.

Co-Facilitator

- Encourage us to go through the boxes. It would be good to hear from you the floor on where we do not capture your views well.

United States

- Would like to recall a suggestion South Africa made from an earlier meeting regarding a possible timeline for the next few years and the decisions that need to be taken. We would like to suggest that that is circulated for the next time we meet in order to help our deliberations on this matter.

Co-Facilitator

- We would like to note briefly that the first box attempts to capture differing views on these timelines and this is something we are working on.

Argentina

- The first element of this is not disputed by anybody here – we would like the next version of the informal note to reflect that
 - Referring to the CMP decision that the AF should serve the PA
- Supports US's timeline suggestion.

Saudi Arabia

- Thank you for reminding us of the decision we took at COP21 that the AF may serve the PA.
- The key point is to not do harm to the existing fund.
- I think we are in the process of recreating the AF to serve the PA – we are having these conversations because we like the AF, it is our fund, it is the first fund that established direct access – we do not want you to touch or mess around with the AF.
- If you want to blackmail the AF to recreate it to serve the PA, we do not agree to this and this is not a conversation we would like to have.
- We are in a conceptual phase here where we need to agree.
- We are not sure how we can engage on these boxes without all views reflected.

Co-Facilitator

- Box C discusses this issue of whether or not the AF will serve the KP.
- Would like to go through the boxes.

China

- Would like more time to review this informal note.

Co-Facilitator

- Would like to ask the secretariat to show the first box.
- Here we have identified three options related to guidance accountability and reporting:
 - 1 – Under the guidance of, be accountable to, and report to the CMA and CMP

- 2 – Under the guidance of, be accountable to, and report to the CMA and CMP for a limited time, after a certain date only CMA
- 3 – Under the guidance of, be accountable and reports to the CMA as of a specific date onwards, not serving the CMP as of the date

Co-Facilitator

- Would like to show box 1B
- On the topic of AF serving the PA timeline:
 - 1 – CMA confirms the AF starts serving the PA immediately as of COP24
 - 2 – CMA confirms that he AF serves PA as of 2019
 - 3 – CMA confirms that the AF starts serving PA as of 2020 or 2021

Switzerland

- Believes views are well reflected

Belize

- Suggests that there are really only two options here, given that COP24 and beginning of 2019 are very close together.

EU

- Should say “decides” not confirms, as it is an independent decision.

Co-Facilitator

- We agree but wanted to represent all views.

Saudi Arabia

- We believe it should serve both, beginning from the moment we sign in Katowice.

Argentina

- Just with regard to the point made by Saudi Arabia, we believe that option 1 remains valid, which may influence the election of members, particularly Parties that are not KP members

Switzerland

- We take the point of Argentina, in light of our submission which suggests that it could begin serving in 2019, but with special provision for elections to happen at COP24.

Pakistan

- Of the view that it should serve both.
- Not sure about the decides point – could confirm in view of the other decision?

Bahamas

- I have a question with regards to box B, could these options be elaborated? They have substantive consequences for other decisions – the contingent actions that are related to our choices in box B.

Co-Facilitator

- Next Box, on exclusivity:
 - 1 – CMA recommends that AF continues to serve the KP and the PA

- 2 – CMA recommends that the AF starts serving the PA as of a specific date and stops serving the KP as of a later date
- 3 – CMA recommends that AF stops serving the KP as of specific date and immediately starts serving the KP thereafter

Argentina (on behalf of Brazil and Uruguay)

- We think from a practical perspective option three is not viable and would support its deletion.

Saudi Arabia

- Option four, then, should say serve both immediately after the decision – option one does not have a timeline.
- This would be the option that we would support.

Co-Facilitator

- This has been a good discussion, and this is how we would like to proceed.
- We are not negotiating on items, simply making sure all views are captured.
- Looking forward to your further engagement in the next session.

Argentina

- Is there going to be an additional session on this agenda item?

Co-Facilitator

- We are consulting with the secretariat when this may take place – please keep your eyes on the CCTV.

*** Close, 12:09 ***