

SBI Informal Consultation: Matters Relating to the Adaptation Fund Board (Membership)

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Session/Agenda Item: SBI 51, Agenda Item #14: Matters Related to the Adaptation Fund Board - Membership

Location: UNFCCC COP 25, Madrid Spain

Room Number: Meeting Room 26

Notes/Summary: Informal consultations co-facilitated by Amjad Abdulla (Maldives) and Fiona Gilbert (Australia)

- **Background:** CMA 1.3 decided that the Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the CMA with respect to all matters relating to the Paris Agreement, effective 1 January 2019.⁶⁵ CMP 14 took note of that decision and decided, inter alia, to ensure that developing and developed country Parties that are Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board. CMP 14 requested that SBI 50 consider this matter.
 - At SBI 50, the consultations did not result in any conclusions, and, in accordance with rules 10(c) and 16 of the draft rules of procedure being applied, the matter will be included on the provisional agenda for SBI 51
 - Action: The SBI will be invited to continue its consideration of the matter referred to in paragraph 59 above and to forward a recommendation thereon for consideration and adoption at CMP 15 (December 2019).
- **Co-Facilitator 1 (CoF1):** Opens the session and asks parties if they object to observers in the session
- **Palestine:** on behalf of G77+China, requests from the co-facilitators the rules of procedure in relevance to observations in the room, but do not object to observer's presence.
- **(CoF1):** doesn't see any objections. Housekeeping in regards to who can comment on what vis a vis KP vs PA parties. Before beginning, moment of silence to mark passing of Mr. [redacted] from Uganda, former head of the AFB. During SBI 50, there was no conclusion, so we are now taking this topic up again in this session. Working on draft recommendation for CMP 15. Want to remind parties that consultations are being taken on the election of members to the AFB. With time short, co-facilitators urge efficient action. Given that this is the first informal consultation, we want to use the rest of the time to hear Parties' views, then use the time in the upcoming consultations to delve into

specific points and details. At this moment, we are looking only for positions and views from Parties to the KP. We invite your views on what might be included in draft text to the SBI and CMP. Opens floor for views and expectations from Party members

- **Palestine:** I believe what we're dealing with here is specific to membership of the AFB, which is purely procedural since the CMP has already made a decision. We do not see any more action required from us on this topic, and I'm not quite sure what we can pronounce on, other than encourage regional groups to nominate members not party to KP to the Board.
- **New Zealand:** we recognize the niche role of the AFB. WE welcome PA decision, and wish to eliminate the bifurcated election mechanism, and recommend the model of the Green Fund.
- **South Africa:** on behalf of African group. Our position has not changed from Bonn. We will only favor the of procedural position that CMP has already concluded no action is required until the share of proceeds change and are included in the real adaptation fund documentation. CMP parties should consider balance in their elections process, and we should let it go at that and stop wasting time on this matter.
- **Saudi Arabia:** I support the Palestine and South African positions
- **Argentina:** speaking also on behalf of Brazil and Uruguay. Our position remains unchanged and follows South Africa, Saudi Arabia and Palestine. We see no need to change the function of board management given the CMP position.
- **Japan:** We want to continue discussion of membership of the board, because of its importance and because financing is vital. The current composition of the fund's board does not currently reflect composition of...(???) ... recommend composition change once at once that serves exclusively the PA. Recommends that board nomination change to reflect developing and developed party membership of PA.
- **China:** also on behalf of G77. It's too early to talk about composition given Article 6 of the PA is still pending and the AFB has worked smoothly in the past. We don't think change is necessary at this time.
- **Malawi:** on behalf of Africa group. We feel the CMP decision already is adequate. (Speaker is hard to understand...). Decision should be based on constituencies, without changing the members' configuration. As recipients we are contented with current membership of the fund leadership and would not like to see any changes.
- **India:** Support G77 and South Africa positions. AFB has been performing well for developing countries. Because Adaptation is most important for developing countries, and funding is already lagging, we see no change as useful.
- **EU:** Developing country leadership of the Board is honorable, however we are of the view that we need to submit a decision to the SBI that the current process does not serve the Paris Agreement. Work has been mandated, and needs to be finished. Let me also stress that compared to the Bonn session, we do have a view of the AFB that is reporting and pointing out that adjustment on eligibility is needed following Katowice. Board

membership is currently based on the CMP which does not correspond to PA representation. We recommend again our proposal from Bonn that would make changes to technical language, that would maintain a developing country majority on the Board, as we proposed at Bonn. This would require changes to terminology under the Paris Agreement. We suggest co-facilitators take in the view of parties, and we would trust you with preparing a decision text on this matter. We need this recommendation completed for submission to SBI, in accordance with our mandate.

- **Colombia:** AILAC agrees with paramount importance to maintain composition of the Board.
- **Belize:** on behalf of AOSIS would like to support the position of other parties that this is a settled matter and move forward on nomination of board member representatives
- **Australia:** we recognize the importance of the AF, and were disappointed about the lack of a previous decision on this matter. We see the need to adjust composition to meet the text of the PA once the funds are available. We seek a solution that addresses both of these concerns. Also support EU request for draft text
- **Mexico:** Can you give us a sense of timeline we have?
- **Switzerland:** on behalf of EIG. We think that AF has a distinct role in climate finance landscape. We echo EU, that we need a decision to conclude this matter at COP25. WE think the current balance of developing to developed countries should be maintained if we can meet the PA language.
- **Palestine:** We believe there is no decision to be made, because the issue has been settled. The next step should be nominations. We are not prepared to entertain any further debate on this topic at this time. This position will not change in the foreseeable future.
- **US (as observer):** CMP noted that they don't have guidance on how to include CMA parties, so we need to provide that guidance.
- **South Africa:** Point of Order: observers should observe and not speak.
 - **CoF1:** We're just taking note of the observer party statements, if that's ok?
 - **South Africa:** No, it's not okay, and we don't like this rule, and if so, then we will ask to move to formal consultations that are only open to parties.
 - **US:** rules of procedure do not allow for such a decision
- **Canada:** our priority is to ensure a smooth transition to KP to PA. We need operationalize on how the KP parties should proceed.
- **Palestine:** emphasizes again that this is a decided, procedural issue, and we are not giving you permission to draft text on a decision.
 - **CoF1:** we are only comprising your views and opinions to produce guidance, that we need to reflect.
 - **Palestine:** We either have a procedural decision or we have no decision at all
 - **CoF1:** Rest assured that will be included in notes for the future
- **South Africa:** there is no consensus and there will be no consensus. We recommend you move forward toward member elections and we stop wasting time on this matter.

- **Norway:** We don't think this is very difficult, and positions are not that far apart. We recommend: not make any changes to the board, just change the terminology. We are in favor of allowing the CoFs producing such draft language
- **Palestine:** I dispute Norway – we are very far apart. Our position stands as is. There is no consensus.
- **CoF1:** There appears to be no consensus. I will continue consulting, and let you know when we will meet next, where we will hopefully have a way forward.
- **Palestine:** I do not wish to stand in the way of consultation. However, our position will not change.
- **CoF2:** Closes CMP session, and moves onto CMA session. We only have 10 minutes, reviews CMP and CMA decision. There are members of the AFB secretariat here to answer your questions. We've been ordered to report back on Monday on this issue. Opens floor for brief opening comments, and requests textual submissions for cofacilitated draft text.
- **South Africa:** Speaking on behalf of African Group. Asking for track changes version of (... ? missed what he asked for).
- **CoF2:** We will produce draft text for the next meeting.
- **CoF2:** back to the CMA decisions, and our directed mandates to make progress on this topic. Opens floor for general comments.
- **South Africa:** on behalf of Africa Group. We agree with compromise of the parties, but right now we don't think there is not any role for the CMA at this time other than to take note of the Fund's report. We don't believe the CMA has the role or authority to comment on any documents, because the AFB is still under the authority of and accountability to CMP, until the funding flows change.
- **Iran:** We support South Africa's observation
- **CoF2:** Notes the parties' position, reminds them to submit draft text by noon tomorrow, and closes the sessions

Follow-up:

- Draft text will be drafted for a decision/guidance to be submitted to the CoFs on potential guidance text to the CMP

Take Away:

- Parties remain staunchly divided on this issue, with the Parties to the Kyoto protocol, led by developing country negotiating blocks, largely unwilling to budge from their positions, and retaining authority over nomination to the Fund's board for the time being.
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