

Disagreements continue over membership of Adaptation Fund Board

Madrid, 5 Dec (TWN) — Discussions on the membership of the Adaptation Fund Board continued to be contentious at the ongoing climate talks in Madrid, with developing countries calling for a procedural discussion on the matter, and developed countries calling for changing the composition of the AF Board through a substantive decision.

According to **Palestine**, speaking for **G77 and China**, a previous decision adopted during COP 24 in Katowice last year, had made it clear that developing and developed countries that are Parties to the Paris Agreement (PA) are eligible for membership on the AF Board and therefore, there was no need to discuss the matter further. The group stressed that the matter was purely procedural.

During discussions over 3 and 4 Dec on the issue, the **Africa Group** reiterated that its position had not changed and that it was in favour of a procedural decision and that no action was required until the share of proceeds from Article 6 became available. The **Arab Group**, **ABU (Argentina, Brazil, Uruguay)**, **Alliance of Small Island States (AOSIS)**, **Independent Alliance of Latin America and the Caribbean (AILAC)** and the **Least Developed Countries (LDCs)**, supported Palestine.

(The AF currently serves both the KP and the PA. In Poland last year, it was decided that the AF shall exclusively serve the PA and shall no longer serve the KP, once the share of proceeds under Article 6.4 of the PA becomes available. Negotiations on the share of proceeds are currently ongoing in Madrid. Article 6.4 establishes a mechanism to contribute to the mitigation of greenhouse gas

emissions and support sustainable development for use by Parties on a voluntary basis. Article 6 of the PA deals with cooperative approaches among Parties, which includes the use of market and non-market mechanisms. Parties were unable to arrive at an agreement on the operational details and rules to be applied in the implementation of Article 6 Poland last year, and these are being deliberated in Madrid).

Malawi spoke for the **LDCs** and reiterated the understanding of the group that those Parties to the PA are eligible to serve the AF Board. “The decision has been taken. It should be left to constituencies to nominate members, but without changing the configuration of the Board. Let us take a quick procedural decision and close the matter here,” said Malawi.

China said it was too early to talk about composition, given the link of the Adaptation Fund with the share of proceeds from Article 6, still under negotiation. “The AF has worked smoothly in the past. There is no need to change the composition of the Fund,” said China.

India also said that the AF had been performing well and there was no “pressing need for any change”. India added that the foremost issue for the Adaptation Fund was funding, which was still under negotiation.

Developed countries led by **New Zealand, Japan, Australia, Canada, Switzerland, European Union (EU)** however, were very clear about the need for the Board composition to change.

The **EU** said a unique feature of the AF Board was that the majority comprised developing countries

and “the EU is prepared to maintain this principle”. The EU called for a decision though to operationalize the Katowice decision. “Katowice made the decision that the AF serves the PA. For that to happen, work was mandated and which needs to be finished here. We are here to finalize the work and eligibility of the AF Board with a decision by the CMP,” the EU said. The EU called for a “small and technical change” in the language (referring to the Annexes of the Convention) and said that it did not want to touch on nomination issues, neither change the number of Parties in the AF Board and that the “majority view” would be maintained. (The CMP is the Conference of Parties meeting as the Parties to the KP).

(According to Decision 1/CMP.3, the AF Board shall have 16 members, representing Parties to the KP, taking into account fair and balanced representation among these groups and would include two representatives from each of the five United Nations regional groups; one representative of the Small Island Developing States [SIDS]; one representative of the Least Developed Country Parties; two other representatives from the Parties included in Annex I to the Convention [Annex I Parties]; two other representatives from the Parties not included in Annex I to the Convention [non-Annex I Parties]).

In a decision adopted in Dec. 2018 in Katowice, Poland, [para 4 of decision 1/CMP] the Subsidiary Body on Implementation was tasked to consider the membership of the AF Board and to forward a recommendation to the CMP for its consideration at its session later this year.)

Japan wanted to continue deliberating on the membership issue and said that to make the Fund sustainable, financing is necessary and for that, representation of developed countries in the Board

needs to be enhanced. Japan added that the existing composition did not quite reflect the representation of developed countries and said that change would be required when the AF exclusively starts serving the PA. Japan also said that the existing categorization of Annex I and Non-Annex I should be changed to developed country Parties and developing country Parties in the PA context.

Speaking for the **Environment Integrity Group (EIG)**, **Switzerland** said the AF had a distinct role to play in climate finance and that a decision was required to conclude the matter, while maintaining the “current balance of developed and developing countries”. Switzerland however said that depending on the source of financing for the AF, the composition should be revisited. It supported that the Board’s governance should be adapted to the PA language of developed and developing countries.

Following the exchange, the co-facilitators for the session **Amjad Abdulla (Maldives)** and **Fiona Gilbert (Australia)** proposed that they would compile the views they had heard and called for further submissions.

Palestine reiterated that either there would be a procedural decision or no decision. The **Africa Group** stressed that no further work was required given that there was clearly no consensus on the matter. **Norway**, however, said it did not think the matter was very difficult to resolve since Parties were “not that far apart”. To Norway, Palestine responding saying, “We are very far apart. Our position stands.”

The **Umbrella Group** of countries continued to call for a substantive decision the issue. The matter is expected to be discussed further.