



Adaptation Fund Shall Serve the Paris Agreement, Starting on January 1st, 2019

Country Parties Decide Fund Shall Serve Agreement in Final Night of COP 24

Katowice, Poland (*December 16, 2018*) — In a momentous decision that recognizes the important role of the Adaptation Fund in climate finance, the 197-member Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided into an extended Saturday evening of the COP 24 climate change conference in Poland that the Adaptation Fund “shall serve” the Paris Agreement.

The decision solidifies the Fund’s credibility and trust earned within the international climate finance architecture over its 11 years in operation, and its valuable niche in providing concrete adaptation projects and tangible results on the ground to the most vulnerable countries.

In the decision, the CMA decided the “Adaptation Fund shall serve the Paris Agreement under the guidance of, and be accountable to, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with respect to all matters relating to the Paris Agreement effective 1 January, 2019.”

The decision follows a similar decision made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at last year's COP 23 conference in Germany when Kyoto Parties decided that the Fund shall serve the Paris Agreement with follow-up decisions to be taken by the CMA during COP 24. The CMP took note of CMA's new decision at COP24, which brings the two to alignment.

"This decision closes a highly successful COP for the Fund and validates the excellent work of the Adaptation Fund over the past 11 years – namely, its important role in helping the most vulnerable countries adapt to climate change. This helps ensure the Fund's institutional stability as it faces record demand and will help many more vulnerable countries meet the urgency of climate change," said Adaptation Fund Board Chair **Victor Viñas**, of the Dominican Republic. *"This is all about the Adaptation Fund's concrete, effective adaptation work on the ground for the most vulnerable communities. It produces tangible benefits, improving lives and livelihoods, as well as models that can be scaled up by others."*

The decision culminates a well-earned roadmap for the Fund to formally serve the Paris Agreement that began three years ago, when COP 21 Parties in Paris decided the Fund 'may' serve the Agreement. Parties went a step further in Morocco at COP 22 deciding the Fund 'should' serve it, before the CMP decided the Fund 'shall' serve the Agreement at COP 23 last year in Germany and then the CMA brought that decision to conclusion last night.

"This milestone decision will help stabilize the Fund as it transitions from the Kyoto Protocol to the Paris Agreement, while recognizing its valuable niche in funding concrete adaptation projects for the most vulnerable," said Ms. **Sylviane Bilgischer**, current Vice-Chair and incoming Chair of the Adaptation Fund Board. *"The Adaptation Fund's pioneering Direct Access modality continues to build country ownership in adaptation, and this decision will further the Fund's progress and help us reach many more vulnerable communities with urgently needed adaptation solutions."*

The Adaptation Fund has already been effectively serving the goals of the Paris Agreement through its concrete adaptation projects in vulnerable countries and building national adaptive capacities through Direct Access, and is bringing new innovative tools forward to respond to the rising urgency of climate change through its five-year **Medium-Term Strategy**. However, the decision to formally recognize the Fund's role in serving the Agreement will bring stability.

"This is excellent news for the Adaptation Fund, and recognizes the great work of the Fund over the last several years and its unique contribution and value in helping the most vulnerable adapt to climate change," said **Mikko Ollikainen**, Manager of the Adaptation Fund.

New decisions concerning financing of the Fund were also made. Parties decided that the Adaptation Fund will continue to be financed by a share of proceeds from **Clean Development Mechanism** projects of the Kyoto Protocol. Both the CMA and CMP decided

that the Fund shall exclusively serve the Paris Agreement when a share of proceeds under a similar sustainable development mechanism called for within the Agreement becomes available. The Fund will receive a share of those proceeds, and from a variety of voluntary public and private sources.

Since the carbon market dropped in 2011-2012, voluntary contributors to the Fund will continue to play a prominent role.

The CMA and CMP also decided to ensure that developing and developed country Parties to the Paris Agreement are eligible for membership on the Adaptation Fund Board. CMP further requested that the Subsidiary Body on Implementation consider the matter and provide a recommendation in November 2019 during COP 25.

CMP also requested the Adaptation Fund Board to consider the Board's rules of procedure, institutional arrangements of the Fund with respect to the Paris Agreement and any other matters to ensure the Fund serves the Agreement smoothly.

ABOUT the ADAPTATION FUND

Since 2010, the Adaptation Fund has committed US\$ 532 million including for 80 concrete, localized climate change adaptation projects in vulnerable communities of developing countries around the world, with over 5.8 million direct beneficiaries.

Communications: Matthew Pueschel, mpueschel@adaptation-fund.org or +1-202-473-6743