Submission by Ethiopia on behalf of the Least Developed Countries Group on views on the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement

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The Least Developed Countries Group (LDC Group) welcomes the opportunity to present its views on the governance and institutional arrangements, safeguards and operating modalities for the Adaptation Fund to serve the Paris Agreement.

At the outset, the LDCs believe that current arrangements for the Adaptation Fund with respect to governance and institutional arrangements, safeguards and operating modalities are working effectively and do not require substantive adjustment to serve the Paris Agreement. These arrangement are contained in the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund - as Amended in March 2016 (OPG 2016) and hence do not need repeating in this submission.

However there are simple procedural adjustments that would be required to allow the Adaptation Fund to serve the Paris Agreement in addition to serving the Kyoto Protocol.

These procedural adjustments could be achieved by holding a joint meeting of Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol (CMP) and the Conference of the Parties Serving as the Meeting of the Parties to the Paris Agreement (CMA). We envisage that this meeting could be held in conjunction with the thirteenth session of the CMP (CMP 13) and resumed first session of the CMA (CMA 1-2) in November 2017.

At the joint meeting of CMP 13 and CMA 1-2 could develop parallel decisions to be adopted by respective closing plenaries of CMP 13 and CMA 1-2 in 2017. The nature of these parallel decisions should include:

1. An agreement that the Adaptation Fund shall serve the Paris Agreement, effective immediately.
2. An invitation to the Adaptation Fund Board to expand the membership of the Adaptation Fund Board to two additional members, namely: one Annex I Party and one Non-Annex I Party. The additional two positions would be available to Parties that are Party to the Paris Agreement, including those that are not Party to the Kyoto Protocol. It would be up to the respective Annex I Party caucus and Non-Annex I Party caucus to decide which eligibility requirement would apply in electing their representatives;
3. An invitation to the Adaptation Fund Board to revise its OPG 2016 so as to allow for Parties to the Paris Agreement to access the Adaptation Fund and to provide opportunities for a share of proceeds from activities and processes established under Article 6 of the Paris Agreement and other relevant sources to be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation. It is envisaged that the revisions to the OPG 2016 would be primarily procedural. It is envisaged that existing procedural arrangements, would apply, *mutatis mutandis*. These include:

    i. Definition of adaptation projects and programmes,
    ii. Operational and financing priorities,
    iii. Project/programme proposal requirements, designated authorities

iv. Financing windows
v. Eligibility requirements
vi. Accreditation of implementing entities, and
vii. Project/programme cycle

4. An invitation to the Adaptation Fund Board to revise other operational guidance to apply, *mutatis mutandis*, with respect to the Paris Agreement. Other operational guidance includes:

    i. Guidance document for Implementing Entities on compliance with the Adaptation Fund Gender Policy
    ii. Ad Hoc Complaint Handling Mechanism
    iii. Environmental and Social Policy (as amended in March 2016)
    iv. Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy
    v. Gender Policy and Action Plan of the Adaptation Fund
    vi. Re-accreditation Process
    vii. Methodologies for Reporting Adaptation Core Fund Impact Indicator
    viii. Open Information Policy
    ix. Policy for Project/Programme Delays
    x. Risk Management Framework
    xi. Zero Tolerance Policy for the Board

5. The modalities and arrangements for acquiring a share of proceeds under Article 6 of the Paris Agreement should be elaborated and be ready to be adopted at the resumed first session of the CMA as part of the "rulebook decisions" in 2018.

In conclusion, the LDCs believe that the transfer of established arrangements under the Adaptation Fund that is serving the Kyoto Protocol to the Paris Agreement should not be a matter of substantive debate. Ostensibly, procedural adjustment procedures could be developed by the Adaptation Fund Board.

We look forward to a prompt set of parallel decisions under the CMA and CMP on this matter in 2017.