



COP30 stalemate: No agreement on Adaptation Fund transition to Paris Agreement

Kathmandu, Dec 9 (Chhegu Palmuu): The recent COP30 climate talks in Belém, Brazil, which concluded on 22 Nov, failed to agree on a decision on the “arrangements” for the transition of the Adaptation Fund (AF) to exclusively serve the Paris Agreement (PA), a key ask by **developing countries** in the negotiations.

This lingering thorny matter on the institutional “arrangements” [covering trustee arrangements, memorandum of understanding regarding secretariat services, and governance-related decisions necessary for the smooth transition of the AF] has been bogged down since the mid-year talks in June this year.

This has been mainly due to **developed countries** insistence on linking this matter to a “separate” and highly divisive issue over the “membership of the AF Board”, seen as being highly “political”, and which lies at the centre of the contention.

Given irreconcilable divergences on the “membership of the AF Board” issue, the matter was deemed not possible to be resolved at the technical level, thus requiring political engagement with ministerial consultation during the second and final stretch of the Belem talks. However, despite all efforts, no agreement was possible in Belem, with further work required at the next session of the Subsidiary Body for

Implementation [SBI] in June 2026.

At the closing plenary on 22 Nov, the **COP30 President Ambassador Andre Do Lago** proposed the following CMP/CMA conclusions on the matter:

“The CMP/CMA requested SBI 64 (June 2026) to continue consideration of matters relating to the membership of the Adaptation Fund Board, the matter of the arrangements for the Adaptation Fund to exclusively serve the Paris Agreement and the initiation of the fifth review of the Adaptation Fund on the basis of the work undertaken at SBI 63 [in Belem] available on the [UNFCCC website](#).

The CMP/CMA noted that this work does not represent agreement among Parties, does not prejudice further work or prevent Parties from expressing their views in the future, nor does it prejudice the number of draft decisions on these matters that Parties may wish to recommend or consider”. [The CMP refers to the Conference of Parties to the Kyoto Protocol (KP) while the CMA refers to the Conference of Parties to the PA].

COP30 President **Lago** also presented CMP/CMA draft decisions on matters related to the AF, as part of the *“[Belém political package](#)”*, and in relation to the AF transition, the decision *“Acknowledges the continued consideration by*

the Adaptation Fund Board of arrangements for the transition of the Adaptation Fund to exclusively serving the Paris Agreement and requests the Board to complete, as a matter of priority, its consideration of this matter with a view to preparing for a smooth transition and prompt monetization of the share of proceeds under Article 6, paragraph 4, of the Paris Agreement". [See further details below].

The "membership of the AF Board" issue involves entrenched divisions over the change in "terminology" regarding the representation of groups of Parties viz. from "*Parties included in Annex 1 to the Convention (Annex 1 Parties)*" and "*Parties not included in Annex 1 to the Convention (non-Annex 1 Parties)*" as referenced in decision 1/CMP.3 under the KP), to "*developed country Parties*" and "*developing country Parties*" respectively, aligning with the terminology used in the PA.

[Under the UNFCCC, there are two annexes – Annex 1 provides a list of "developed country Parties and other Parties included in Annex 1" (which includes "countries that are undergoing the process of transition to a market economy" involving the Eastern European countries and the Russian Federation, as well as Türkiye), while Annex II refers to "developed country Parties and other developed Parties included in Annex II (which does not include the Eastern European countries, the Russian Federation and Türkiye). The Annex II countries have mandatory obligations under the Convention to provide financial resources to developing countries. The PA on the other hand, does not provide for any annexes and uses the terms "developed country Parties" and "developing country Parties".]

Despite the lack of consensus on the "membership" issue, **developed countries** have been staying firm on a "package deal" linking the two "separate" agenda items. **Developing countries** on the other hand, have been maintaining that the matter of "institutional arrangements" is not subject to the membership issue and is not linked, and therefore, warranted an independent decision on an urgent basis for the developing countries who want to ensure timely and smooth transition of the AF.

[Under the "finance" agenda item of the SBI, the matters related to the AF deal with three issues:

arrangements for the AF to exclusively serve the PA; membership of the AF Board; and the fifth review of the AF.]

[The inclusion of the institutional "arrangements" into the agenda item at SBI 62 in Bonn (in June this year) was led by **South Africa** for the **African Group**, pointing to decisions [2/CMP.19](#) (para 23) and [13/CMA.6](#) (para 25) adopted at COP29 in Baku (2024), which requested SBI 62 to consider the matter of the "arrangements for the AF to exclusively serve the PA" and to make recommendations on this matter for consideration at CMP 20 [Conference of Meeting of Parties to the KP] and CMA 7 [Conference of Meeting of Parties to the PA] in Belem.]

[The critical issue in this regard is for the CMA to mandate the AF Board to develop and conclude new trustee arrangements with the World Bank (WB) to enable the monetisation of the "share of proceeds" under the PA's Article 6.4 carbon market mechanism, and thus making available the resulting funds to trigger the AF transition to exclusively serve the PA. The existing trustee arrangements with the WB is under the CMP (which enables monetisation of the share of proceeds from the Certified Emission Reductions (CERs) generated by the KP's "Clean Development Mechanism (CDM)". Additionally, there are governance-related issues to be addressed under the PA given that the AF is currently governed by decision [1/CMP.3](#) under the KP. By decisions [1/CMP.14](#) (para 2) and [13/CMA.1](#) (para 3) taken at COP24 in Katowice, Poland (2018), the it was decided that the AF shall exclusively serve the PA once the share of proceeds from the PA's Article 6.4 mechanism becomes available.]

[At SBI 62 in Bonn, significant progress was made towards a "consensus" text in "principle" on the required institutional "arrangements": trustee arrangements, memorandum of understanding regarding secretariat services, governance-related decisions. However, eventually there was no agreement. **Developed countries** continued to push as a "package" deal along with the "membership" issue, leading to a deadlock in Bonn. In order to retain the progress of work achieved in SBI 62, the transmission of work took the form of two formats: an [informal note](#) prepared by the co-facilitators with no formal status; a [conference](#)

[room paper](#) (CRP) by the developing countries represented by the **G77 and China**, led by **Iraq**, containing the same substance of the text as the informal note, but with “three annexes” denoting three “separate” decisions on the issues, namely, institutional arrangements; membership of the AF Board; fifth review of the AF. (See [TWN Update](#).)

In Belém, the draft negotiating texts [of 12 Nov; of [14 Nov 18:30](#); were in “brackets” “denoting “not agreed”], captured the titles of the “arrangements” and the “membership” as follows: “[*Decision on the arrangements of the Adaptation Fund to exclusively serve the Paris Agreement*][*Decision on Matters relating to the Adaptation Fund*]; [*Separate decision on Membership of the Adaptation Fund Board*][*Continuation of decision on Matters relating to the Adaptation Fund*]. This divergence of two options reflected the crux of the matter – whether independent decision on the “arrangements” of the AF or a package decision on both “arrangements” and “membership” of the AF Board. Given no breakthrough with talks ending in a deadlock, it was concluded with a request to “SBI 64 (June 2026) to continue consideration” on the matter.

At the closing plenary on 22nd Nov, **Iraq** for the **G77 and China** expressed regret on “not reaching successful outcomes” on the institutional “arrangements” of the AF to ensure its smooth transition to exclusively serve the PA, and highlighted that “the effective functioning of the Adaptation Fund remains an utmost priority for us, and we are concerned about not having reached a decision on this agenda item”.

Much remains awaited on further work starting June 2026 at SBI 64 in Bonn, on this important issue.

The following provides a summary of the negotiations and the basis of work carried forward to SBI64 in June 2026, for further consideration.

DEADLOCK IN BELÉM

On 11 Nov, at the first informal consultations, Co-facilitator **Isatou Camara (Gambia)** introduced both [informal note](#), and the [conference room paper](#) (CRP) by **G77 and China**, bringing work forward from SBI 62. On 13 Nov, following the first draft text [of 12 Nov], another informal consultation

took place and on 14 Nov, the closing contact group met, with a deadlock on the matter. Although work was forwarded with the draft text (of 14 Nov 18:30) to the Presidency to the second week of negotiations, there was no movement seen on the matter.

Iraq on behalf of **G77 and China** stressed “the need for significantly scaling up the provision of climate finance and means of implementation to enable ambitious and urgent climate action at the scale and speed required”. It further highlighted that the AF is of “great importance for developing countries, and reaffirmed the need for ensuring a successful outcome on the agenda item related to climate finance, including on the AF. The G77 and China propose to proceed the engagement in this agenda item, based on the CRP submitted during SB62”.

The **European Union (EU)** said that the technical elements such as “arrangements” are covered in the “informal note”, and that there’s common ground on big support for the AF, adding that it is the appropriate time to tackle the issue of “terminology” as well, but was not in favour of a separate decision text. In Bonn, “we found a landing space in Option 4”, it said, referring to its proposed option on amendment of terminology from “Annex I and non-Annex I” to “developed” and “developing countries” with the footnote stating “This does not alter the status of countries, nor does it prejudice future negotiating positions or views of Parties in this regard”. In relation to the “fifth review” of the AF, it preferred the review to be initiated by the CMP and concluded by the CMA.

[In the first draft text (of 12 Nov), “Option 4” on the change in “terminology” of the “membership” issue, read: “Invites the CMA, at its seventh session, to decide that the composition and number of members of the Adaptation Fund Board will remain unchanged upon the Adaptation Fund’s transition to exclusively serving the Paris Agreement; Also invites the CMA, at its seventh session, to decide to apply, effective upon the Adaptation Fund’s transition to exclusively serving the Paris Agreement, paragraph 6(d-e) of decision 1/CMP.3 with respect to the composition of the Adaptation Fund Board with the following changes: (a) in paragraph 6(d) “Parties included in Annex I to the Convention (Annex I Parties) shall read

“developed country Parties”; (b) in paragraph 6(e) “Parties not included in Annex I to the Convention (non-Annex I Parties)” shall read “developing country Parties”. [Footnote 3: This does not alter the status of countries, nor does it prejudice future negotiating positions or views of Parties in this regard.]]

South Africa for the **African Group** stated its understanding that there is already agreement on the institutional arrangements, but with outstanding agreement related to “terminology” of the membership issue which it thought best to be put aside. It made clear that the latter issue could be resolved only at the Presidency level with political engagement. It stated to be “on record”, that it rejected any notion of a “package” on the institutional arrangements, that the issue of “terminology” is irrelevant – and, if a package deal then it needs to be sent to the Presidency. It said that significant progress was made in Bonn and hence, ready to take decision in Belem, so there is need to focus on the core elements of the decision. On the issue of the fifth review of the AF, it preferred to defer it however could be flexible under the condition that review only under the CMP. It also flagged that when it comes to decision-making at the CMP, it does not support Observer Parties’ participation [i.e. countries who are not Parties to the KP, such as the **United States**, and **Canada**], adhering to the rules of procedure.

Saudi Arabia for the **Arab Group** supported working off the CRP and agreed with the African Group on the institutional arrangements, agreeing on the reference to Annex 1 Parties in the text. In relation to the “membership” issue, it said a decision on it is not necessary for the AF transition stressed on moving forward on the institutional arrangements without linking it to other contentious issues. On the “fifth review” of the AF, it preferred to deal with that after the transition.

India for the **Like-Minded Developing Countries (LMDC)** supported working off the CRP as the basis, and also agreed with the African and Arab group to move forward on the institutional arrangements reflected in Annex 1 of the CRP. It also said that decisions on the other two Annexes [on the issues of “membership” and “fifth review”] are not necessary for the transition to occur.

Honduras for the **Independent Alliance of Latin American and Caribbean States (AILAC)** said that the transition should be at the earliest for the AF to receive funds from the Article 6.4 share of proceeds. It preferred “option 4” on the “membership” issue but made clear that this matter should not impede the transition. On fifth review of the AF, it also preferred it after transition of the AF.

Maldives for the **Alliance of Small Island Developing States (AOSIS)** preferred the initiation of the fifth review of the AF.

Nepal for the **Least Developed Countries (LDCs)** emphasised on a smooth AF transition as soon as possible and preferred the fifth review to be undertaken following the transition.

China also echoed interventions for a separate decision on the institutional arrangements and aligned with the Arab Group and the LMDC that the membership issue is not necessary for the AF transition.

Russia reiterated its “option 3” reflected in the text which states, “Invites the CMA, at its seventh session, to decide that the composition of the Adaptation Fund Board, the number of Board members and the procedure of their nomination will remain unchanged”. It said that “option 4” is a red-line and amounted to attempts to renegotiate the PA.

Ukraine said it supported the transition, but “option 4” on the change of terminology pertaining to the “membership” issue, is not acceptable. On 14 Nov, at the closing contact group, Co-facilitator **Camara (Gambia)** introduced the revised draft text (of 14 Nov) and stated that in order to ensure the AF transition, the Presidency wished to provide more time in the second week of the negotiations to undertake work on outstanding political issues. She suggested to forward the draft text (of 14 Nov) as work-in-progress to the CMP/CMA.

Türkiye said that it cannot accept the current text [with “Option 4”] with its “red-line” pointing out that the change in terminology reopens the PA and that it cannot accept any such decision on the matter. [Türkiye is in Annex 1 of the Convention.]

The **COP30 Presidency** remarked that it recognises the crucial importance of the functioning of the AF for developing countries, and further encouraged Parties to consult further.

Saudi Arabia for the **Arab Group** suggested to forward the draft text as an “informal note” to the Presidency, to adopt the institutional arrangements and drop the other two issues, which was supported by **India** for the **LMDC**.

Antigua and Barbuda for **AOSIS**, **South Africa** for the **African Group**, **Nepal** for the **LDCs**, **Honduras** for **AILAC**, and **Group SUR (Argentina, Brazil, Paraguay, Uruguay)**, were all flexible with the format of the draft text and agreed that it should be forwarded to the second week to ensure a decision on the institutional arrangements.

The **EU**, **United Kingdom**, **Switzerland**, and **Australia** supported to forward the draft text reiterating however that it be as a “package”, with the change in “terminology” as part of the AF transition.

During closing of the consultations, when Co-facilitator **Camara (Gambia)** checked to confirm general consensus to move the draft text to the level of the Presidency in the form of an “informal note”, **Türkiye** objected to sending any text with its red-line on the “terminology” issue on “Option 4” [proposed by the **EU**] reiterating its firm stance on retaining the “Annexes” with no change in terminology.

This deadlock was followed by informal “huddles” among Parties, attempting to resolve the “language” issue of “Option 4”, by exploring alternative formulations comfortable to Türkiye – one of them proposed by **New Zealand** was replacing “Annexes” clause of “Option 4” by the following: “Two other representatives from developed country Parties, and two other

representatives from developing country representatives”, effectively changing the numbers and composition of the Board. This exercise of exploring substitution textual changes did not break the deadlock at the end.

On 15 Nov, at the closing plenary of the SBI, the [draft text](#) (of 14 Nov 18:30) based on the preceding draft text (of 14 Nov 16:00) was forwarded to the second week to CMP/CMA for further consideration.

China for the **LMDC** expressed disappointment “to see our partners continuing to link the institutional arrangements of the AF for its transition to serve the PA to the membership issue, where there were clear political divergences.” It added that “we do not see it as a package deal, [and] there is no relationship between the two, and request our partners to adopt a decision in Belem, without holding the institutional arrangements hostage to the smooth transition of the AF which is of critical importance to all developing countries”.

In the second week, no further consultations were conducted on the matter by the Presidency.

It is learnt that **developed countries** continued to emphasise that the agreement on the institutional arrangements cannot be reached unless there is agreement on the “terminology” issue of the AF Board membership.

As stated earlier, at the closing plenary on 22 Nov. the consideration of these matters have been kicked down the road to the meeting of the SBI next year in June.

Given the various entrenched positions of Parties on this matter, whether and how the AF transition will happen remains to be seen.