

Adaptation fund pledges unfulfilled - say developing countries

10 Nov, Sharm el-Sheikh (TWN) — Developing countries expressed strong concerns over the unfulfilled pledges of developed countries to the Adaptation Fund (AF) during informal consultations convened on the agenda item on report of the Adaptation Fund Board on 9 Nov. under the ongoing climate talks in Sharm El-Sheikh, Egypt,

Contentious issues also arose in discussions on the fourth review of the AF in relation to diversifying the AF's contributor base as well as references to outstanding pledges worth USD 174.6 million to the AF and over the doubling of adaptation finance in the draft text proposed by the co-facilitators.

REPORT OF THE AF BOARD

South Africa spoke for the **Africa Group** and said that the issue of resource mobilization remains a “systemic failure” by developed countries, adding that “They continue to lie to us, make false pledges and continue to announce pledges and not fulfil them.” It also said that the UNFCCC secretariat should become an accountable mechanism and Parties must hold the developed countries to account. It stressed further that developed countries “used and abused” the UNFCCC platform to make pledges in Glasgow and “lied to the global public” and “365 days later they come and give excuses about

budgetary cycle” to justify why their pledges were not fulfilled. South Africa also said the world should know that especially the large developed countries continued to “abuse public trust and mislead the global community”. In a veiled reference to the United States, South Africa said a Party wanted to sit on the AF Board and therefore made pledges to the Fund, which went unfulfilled and that it was time to “name and shame those Parties”. South Africa called for very strong language in the decision expressing serious concern by Parties on the lack of fulfilment of their pledges, as this impacts programming of the Fund, it emphasized further.

(Para 17 of Decision 1/CMA.3 titled Glasgow Climate Pact had welcomed “the recent pledges made by many developed country Parties to increase their provision of climate finance to support adaptation in developing country Parties in response to their growing needs, including contributions made to the Adaptation Fund...which represent significant progress compared with previous efforts”).

(Para 4 of the decision in Glasgow on the ‘Report of the Adaptation Fund Board for 2020 and 2021’ had welcomed pledges from a variety of contributors, including the United States, amounting to USD 356 million to the AF.

The report by the AF Board (with information for the period of 1 July 2021 to 30 June 2022) states that “outstanding contributions under signed agreements amounted to the equivalent of USD 43.86 million, while the equivalent of USD 236.30 million in pledges was outstanding”).

Belize spoke for the **Alliance of Small Island States (AOSIS)** and said that efforts to improve AF operations and access assumes that there is funding to be accessed and that it continues to be “concerned over the lack of sustainability and predictability of resources being channelled through the AF”. It also expressed concern that despite the growing demand on the AF and its ambitious programmes/initiatives to find new avenues for entities to tap into resources, “there has been no agreement to establish a target for its resource mobilisation strategy”. “Given the fact that the Fund is intended the benefit the vulnerable, then a bare minimum starting point would be to use the cumulative demands evidenced in the pipeline to gauge what that target should be,” said Belize, adding that it would be appropriate that the AF Board should be aspirational and processes such as replenishment cycles be established to get the Fund in a more stable position and suggested that its views be captured in a decision text.

Nepal for the **Least Developed Countries (LDCs)** also expressed concerns over the lack of adequate resources in the AF, adding that while demand for projects is high, supply of funds is very limited. It urged contributors to put money into the Fund and called on them to fulfil their pledges and make further contributions. Nepal also spoke about enhancing direct access for entities from the LDCs to the Fund.

Argentina for Argentina, Brazil and Uruguay (ABU) said the decision must include mention of pledges not being fulfilled.

Chile for the **Independent Alliance of Latin America and the Caribbean (AILAC)** also spoke about unfulfilled pledges and said progress must be tracked against the pledges made.

China and **India** also echoed the Africa group and other developing countries in expressing their concerns regarding the unfulfilled pledges.

The **European Union (EU)** said that developed countries had kept the AF alive through voluntary contributions and what was paid by developed countries had “exceeded the mobilization target”.

Switzerland hoped that other contributors would step up this year and that they were “on course” to disburse their money to the AF and outlined elements for a decision text in the areas of coherence and complementarity, accreditation and project approval processes.

Following the discussion, the co-facilitators invited Parties to send written submissions on concrete proposals for a draft decision, pending which a draft text would be issued.

FOURTH REVIEW OF THE AF

In informal consultations on the fourth review of the AF convened on 9 Nov, Parties discussed the draft text proposed by the co-facilitators. Discussions were contentious around paragraphs related to references to doubling of adaptation finance, diversification of the AF’s contributor base as well as reference to outstanding pledges worth USD 174.6 million to the Fund.

The paragraphs in question are as follows:

“Paragraph 6: Stresses the importance of financial contributions to the Adaptation Fund, including in the context of doubling the collective provision of climate finance for adaptation from developed to developing countries and invites developed country Parties to consider channelling additional resources through the Adaptation Fund;

Paragraph 7: Notes with concern that, as at 8 November 2022, a total of USD 174.6 million in pledged contributions to the Adaptation Fund was outstanding and urges Parties that have not fulfilled their pledges to the Fund to do so as soon as possible.

Paragraph 10: Welcomes the diversification of the Adaptation Fund’s contributor base and encourages the Adaptation Fund Board to further intensify its efforts to mobilize finance from diverse sources.”

On paragraph 6, which mentions doubling the collective provision of climate finance for adaptation and invites developed countries to channel additional resources, the **US** requested deletion of “in the context of doubling the collective provision of climate finance from developed to developing countries” and gave the rationale that the Glasgow Climate Pact was not necessarily relevant to the operations of the AF. The US also proposed deleting reference to “invites developed country Parties” since “all the countries” should be invited “to contribute to the AF”

(The Glasgow Climate Pact urged developed countries “to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources...”).

Switzerland suggested that the paragraph should reiterate the importance of voluntary contribution to the fund rather than inviting only developed countries to consider channelling additional resources through the AF.

Nepal for the **LDCs** and **Brazil** for **ABU** supported retaining references to doubling of adaptation

finance and to reflect language from Glasgow which said “at least double their collective provision of climate finance for adaptation...”.

On paragraph 7 which refers to outstanding pledges of USD 174.6 million, the **US** said that while it agrees to the sentiment expressed in the paragraph, it would be useful to be more general and that the specific reference to USD 174.6 million should be deleted.

Canada also said that specific numbers were not helpful.

The **EU** said the number is quite detailed, that things are in a state of flux and wondered if the paragraph belonged to the decision proposed.

On paragraph 10 on diversification of the donor base, the **Africa Group**, **ABU**, and **Saudi Arabia** for the **Arab group** and **China**, said they did not support the notion of diversifying the Fund’s contributor base. **AOSIS** also supported Africa group.

Following the comments, the co-facilitators of the agenda item on the fourth review of the AF are expected to issue another iteration of the draft text.