

## **Submission on possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention**

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In response to the invitation for submissions on possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention, agreed by the SCF at its ninth meeting, I am pleased to share the following reflexions as an input to discussion.

Over the past few years, the global climate finance landscape has seen a multiplication of multilateral climate funds and institutions. While this development is positive in that it reflects a growing traction for climate action internationally it also enhances the risk of potential overlaps and inconsistencies between these actors. The need for exploring ways to rationalize and streamline this increasingly complex institutional set-up is therefore a real and pressing one.

The identification of options for enhancing institutional linkages and relations between the Adaptation Fund and other institutions under the Convention is a useful starting point to make progress on this matter, and the decision of the Adaptation Fund Board, at its 25<sup>th</sup> Meeting in April 2015, to initiate consultations with the SCF and start a dialogue with the Board of the Green Climate Fund on potential linkages between the two funds is particularly commendable in this respect.

Irrespective of the future arrangement that might prevail between the Adaptation Fund and other institutions under the Convention, there are a few principles that should guide these discussions:

- The *complementarity between and the coherence among* the different funds and institutions should remain the backbone on which to build the future climate finance architecture.
- The *individual strengths and merits* of each fund and institution should be preserved and not be put at risk haphazardly by changes in the current institutional set-up. Speaking of the Adaptation Fund these relate in particular to its governance structure, its innovative financial sources, and its direct access modality.
- The *legal, operational and financial implications* of every option are to be analyzed and assessed carefully against the status quo, taking into account the respective mandates of the different funds and institutions.
- The *timing* of any reform is critical when developing options for enhancing institutional linkages and relations. No structural changes should be undertaken as long as the various funds and institutions have not yet fully performed, as is the case with the Green Climate Fund, nor should they be locked-in for an unlimited time.

Drawing on the elements outlined above it appears advisable to yield a complete picture of the areas of work and activities covered by the various climate finance institutions under the Convention including their assessed performance instead of focusing solely on the relationship between the Adaptation Fund and the Green Climate Fund. The SCF could decide on a mandate to produce such a mapping exercise to inform its discussions on this matter.