

Adaptation Fund: Institutional Linkages

Submission by Richard Sherman

Introduction

It is important to place the Adaptation Fund (AF) in context, prior to responding to the questions.

Firstly, for Africa this implies the need to understand the AF's niche role in providing support for concrete adaptation activities, pioneering direct access, and supporting a financing approach that has enabled capacity to be built at the executing level and supported on the ground adaptation actions in developing countries. Any assessment on possible institutional linkages with Convention bodies must build on and enhance these niche roles. Secondly, while the mandate from Decision 2CMP/10 only focuses on the AF, it is not possible to isolate the AF's role from the broader institutional landscape of adaptation means of implementation.

1. What are the possible options for enhancing institutional linkages and relations between the AF and other institutions under the Convention (noting the above distinction between these terms)?

It would be useful to identify the core institutions and process where a linkage would be useful for both the COP and the AF (Board, Secretariat, accredited entities and recipients) perspectives. One could envisage this core process focusing on: a) COP agenda items under consideration and b) COP institutions addressing adaptation matters, such as the Adaptation Committee, Warsaw International Mechanism, Least Developed Countries Expert Group, particularly as it relates to the NAP processes, CGE as it relates to the adaptation component of Non-Annex I national communications.

A second tier of institutional linkages could relate to the COP process on finance and means of implementation, with a focus on resource mobilization and support for adaptation activities, such as the SCF, TEC and CTCN. Within this context a more explicit linkage, possibly focusing on coordination and coherence with the operating entities of the financial mechanism and the convention Funds (SCCF and LDCF). A key element of this discussion is the alignment of the review of the adaptation fund and the review of the financial mechanism, both in terms of sequencing and substantive matters.

In both these examples the relations should aim to a) enhance outreach and learning in relation to the implementation of concrete adaptation actions, b) create a clearer relationship to the implementation process for NAPs (for all developing countries) and c) build a more response adaptation implementation agenda under the COP.

There is a third level of coordination among UNFCCC Focal points, and focal points of the operating entities, funds etc., with the planning processes for adaptation. There is scope to enhance the implementation of concrete adaptation activities by enhancing country ownership and coordination and creating joint learning platforms.

Finally, there are a number of future considerations on the institutional linkages, namely:

- a) The future of the 2% levy on the CDM following the end of the second commitment period and possible future levies on any new market mechanisms under the 2015

- agreement;
- b) The role of the AF in supporting the implementation of the 2015 agreement and potential future institutional alignment; and
 - c) Making AF, a specialized operational entity, to channel financing for adaptation to developing countries as a medium to long-term measure.

2. *For each option, are there*

a. Operational procedures that could enhance cooperation and address the relations and institutional linkages; and (addressed in response to Q3)

b. Technical and/or legal barriers to be addressed, and if so, how could these issues best be resolved?

It might be useful to get a more thought legal understanding of the legal implications if any for the softer institutional linkage options, just to be clear, while looking in more detail at the possible future legal implications for the AF's comprehensive integration under the Convention.

3. *Which option(s) are the most feasible? Which options may have most desired effect and which options should be the immediate focus of the SCF (i.e. the SCF work plan in 2015)?*

Given the priority for adaptation, it is important to start work immediately on a) a complete assessment of the adaptation finance landscape under the Convention with the identification of matters that focus on implementation b) convening a dialogue with the AF, the Operating Entities and Funds, and the technical bodies under the convention in relation to the coordination and coherence, building on the work of the adaptation committee on adaptation means of implementation.

The SCF may wish to consider facilitating a conversation between the various core institutional partners on adaptation, as well as other stakeholders and actors, on how to enhance coordination and cooperation among bodies dealing with adaptation matters, with a core focus on enhancing implementation. This would be consistent with the SCF mandate and functions. However, given the focus of the LTF process on, *inter alia*, adaptation finance, the SCF may wish to convene such discussions later in the year or deal with this matter in 2016. It is equally important that the SCF discussions do not impede on the decision-making authority of the Board and possible actions they are current considering. In some cases, the issue is broader than just the AF as the coordination and coherence matters talk to the issue of adaptation support both for policy and concrete adaptation matters.

It would be important for the SCF report to the CMP/COP to provide detailed recommendations, with possible options, and a roadmap to guide implementation by various COP bodies consistent with their mandates.

4. *To the extent possible, please elaborate on any options by taking into account the level of engagement, i.e. resource mobilization/exchange, policy coordination and exchange of information and best practices.*