

Eleventh meeting of the Standing Committee on Finance Bonn, Germany, 26–28 October 2015

Report of the breakout group on future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention (Agenda item: 8)

Outcome(s) of the discussions

1. The breakout group considered the working paper¹ prepared by the secretariat, including some of the recommendations identified in the paper.
2. There was a general agreement that the working document includes background information on the options identified in the submissions from SCF members and observers.² One Standing Committee on Finance (SCF) member, however, pointed out that the working paper did not take into account findings and conclusions from the fifth review of the Financial Mechanism and the second review of the Adaptation Fund (AF).
3. Building on the above, the SCF member suggested additional options for linkages between the AF and other institutions under the Convention in order to capture the broad range of options that have been highlighted in relation to this matter.
4. The legal office of the secretariat provided a briefing note on the legal feasibility of the options introduced. The briefing note was presented into the room and is included in annex II to this report.
5. There was general agreement on a conclusion recognizing the influence of other on-going processes (at the levels of the Ad Hoc Working Group on the Durban Platform for Enhanced Action, the Adaptation Fund Board, Green Climate Fund Board) on the consideration of linkages between the AF and other institutions under the Convention, in particular the GCF, and that the SCF should therefore further discuss the issue in its 2016-17 work-plan.
6. Four draft recommendations were presented. Two of the recommendations would require further work by the SCF and other bodies on coherence and complementarity with respect to the AF and other institutions under the Convention. The other two options recommend that the COP consider the options of the SCF providing guidance to the AFB, and, the option for the COP to designate the AF as an operating entity under the Financial Mechanism, as raised by one SCF member.

Agreements reached in the breakout group

The breakout group agreed to present the draft conclusion and the options under recommendations, for consideration by the plenary.

Next steps

7. The SCF agreed to annex the revised outcome of its discussions on this issue in its report to the COP.

¹ Annex to background document SCF/2015/11/8.

² The submissions are available at: < <http://bit.ly/1JqbSox>>.



Annex: Outcome by the SCF on future linkages and relations between the Adaptation Fund and other institutions under the Convention

Conclusions

The SCF noted the working paper on institutional linkages and relations between the Adaptation Fund and other institutions under the Convention prepared by the secretariat.³

The SCF identified a number of ongoing processes that may have implications on future linkages between the AF and other institutions under the Convention, such as:

- a) The on-going negotiations under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP);
- b) The on-going discussions within the Adaptation Fund Board with regard to potential linkages between the AF and the GCF;
- c) The request by the Adaptation Fund Board to CMP11 for provide guidance on the mandate of the Board to take decision on linkages between the GCF and the Adaptation Fund;⁴
- d) A number of key policies that are still under development by the GCF Board and, which could have implications on the nature of the possible linkages between the AF and the GCF;
- e) The fact that the GCF Board has yet to consider the issue of the appropriate arrangements between the GCF and the other existing funds under the Convention, in line with paragraphs 33 and 34 of its Governing Instrument.

As a result, the SCF believes that it should further examine the issue of future linkages and relations between the AF and other institutions under the Convention, in particular with the GCF, based on the evolution of the processes mentioned above.

In addition, the SCF discussed the following options⁵, but did not reach consensus on them:

- The COP requesting the SCF to provide input to the guidance to the Adaptation Fund Board.
- The COP considering the designation of the AF as an operating entity of the Financial Mechanism.

Recommendations

The SCF recommends that the COP to encourage the thematic bodies and expert groups under the Convention to continue and strengthen their collaboration with the Adaptation Fund with the view to promoting a comprehensive approach to support adaptation action at the level of the Convention.

The SCF recommends that the COP requests the SCF to continue its work on considering consider issues related to possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention.

³ Annexed to background document SCF/2015/11/8, available at: < http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/scf_11_backgound_paper_af_linkages.pdf>.

⁴ Adaptation Fund Board decision B.26/38, available at: < https://www.adaptation-fund.org/wp-content/uploads/2015/10/Decisions_AFB26_Board_Meeting_final1.pdf>.

⁵ The SCF discussions were informed by a briefing note on the legal feasibility of the options discussed. Available at : < [\(link to be inserted\)](#) >