

Tenth meeting of the Standing Committee on Finance Bonn, Germany, 12–13 June 2015

Background paper on institutional linkages and relations between the Adaptation Fund and other institutions under the Convention

Expected actions by the Standing Committee on Finance

The Standing Committee on Finance (SCF) will be invited to:

- a) Consider possible options on this issue, taking into consideration the draft working paper on possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention, which was prepared by the secretariat;
- b) Identify possible ways forward for further consideration at its eleventh meeting, including the format of the outcome on this issue;
- c) Consider how it wishes to interact with the Adaptation Fund Board (AFB), taking into account the agreement at SCF 9 to enhance the dialogue with the AFB.

I. Possible options/actions for consideration by the SCF

1. Taking into consideration the working paper prepared by the secretariat, under the guidance of the co-facilitators of this agenda item, the SCF may wish to consider the following options:
 - a. Narrowing down options for possible future institutional linkages and relations between the AF and other institutions under the Convention at this meeting, with the aim of providing concrete recommendations on this issue to be contained in its report to COP 21;
 - b. Requesting the secretariat to revise the working paper for further consideration by the SCF at its eleventh meeting, which would enable the SCF to gain more clarity on this issue in identifying specific options to take.
2. The SCF may also wish to consider options on how to interact with the AFB on this issue. Such options may include but not limited to:
 - a. Inviting Chair, Vice-Chair or representative of the AFB to the next SCF meeting to discuss this issue in person or via video conference;
 - b. Convening a conference call between the co-facilitators and/or SCF members interested in this issue and Chair, Vice-Chair and/or representative of the AFB to discuss this issue;
 - c. Call for inputs from the AFB with regard to possible way forward on this issue;
 - d. Requesting the secretariat to further collaborate with the AFB secretariat when further elaborating possible options.
3. The SCF may further wish to consider possible interaction with other thematic bodies under the Convention.

II. Background

4. At COP 20, Parties requested the SCF to consider issues related to possible future institutional linkages and relations between the AF and other institutions under the Convention.¹ This request was taken note of by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its tenth

¹ Decision 6/CP.20, paragraph 22.



session in the context of the second review of the AF.²

5. At SCF 9, this issue was discussed in a breakout group session facilitated by Mr. Richard Sherman and Mr. Mark Storey. The Committee agreed on the following scope of work in relation to this issue:
 - a. Possible future relations between the AF and other institutions under the Convention;
 - b. Possible future institutional linkages between the AF and other institutions under the Convention, taking into account any legal and technical implications identified;
 - c. Possible future institutional linkages between the AF and other institutions under the Convention in the broader context of the future financial architecture.
6. Participants in the breakout group on this issue at SCF agreed that it should address both the scope of work referred to in paragraph 3 above, starting with paragraph 3(a) and (b), as well as the issue of consistency and complementarity of different funds at later stage.
7. The SCF invited its members, observers and thematic bodies under the Convention to make submissions by 8 May 2015 on the issues referred to in paragraph 3(a) and (b) above. As at the beginning of June, 9 submissions have been received and posted on the SCF website.
8. The SCF requested the secretariat to prepare, under the guidance of the co-facilitators, a working paper on possible options for future institutional linkages and relations between the AF and other institutions under the Convention, including the legal and technical implications for each option. The submissions referred to in paragraph 5 above have been taken into account in preparing the working paper.
9. The SCF agreed to enhance the dialogues with the Adaptation Fund Board (AFB) and relevant thematic bodies.
10. With respect to the AFB, CMP 10 requested the AFB to consider options for developing operational linkages, as appropriate, between the AF and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies.³ In accordance with this mandate, the AFB discussed at its 25th meeting in April 2015 potential linkages between the AF and the Green Climate Fund (GCF).⁴ Consequently, the AFB decided to request the Chair and Vice-Chair to initiate consultations with the SCF and start a dialogue with the GCF Board on potential linkages between the two funds.⁵

III. Outline of the working paper

A. Approach

11. In the preparation of the working paper referred to in paragraph 8 above, the secretariat drew on various sources of information including submissions from SCF members, observers and thematic bodies under the Convention and relevant AFB documents. The secretariat also collaborated with its staff in the Legal Affairs and the AFB secretariat from a legal and technical perspective.

B. Overview of possible options

12. Building on the existing institutional linkages and relations, the working paper aimed to identify several options for possible future institutional linkages and relations between the AF and the operating entities under the Convention (GCF, GEF) and other thematic bodies under the Convention respectively.
13. Since majority of SCF members and observers who provided their submissions expressed explicit interest in future institutional linkages and relations between the AF and the GCF, the working paper also put a main focus on options for such institutional linkages and relations.

² Decision 2/CMP.10, paragraph 7.

³ Decision 2/CMP.10, paragraph 6.

⁴ AFB document AFB/B.25/Inf.6.

⁵ AFB decision B.25/26.