

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

Working paper on possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention (Draft - version 9 June 2015)

I. Background and context

a. Mandates

1. The Conference of the Parties (COP), at its twentieth session, requested the SCF to consider issues related to possible future institutional linkages and relations between the Adaptation Fund (AF) and other institutions under the Convention.¹ The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its tenth session took note of this request in the context of the second review of the AF.² At the same session, the CMP requested the Adaptation Fund Board (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 this matter at its 25th meeting in April 2015.⁴
2. This working paper was prepared by the secretariat for consideration by the SCF as requested by the Committee at its ninth meeting in March 2015, taking into account submissions from SCF members and observers, the technical paper produced for the second review of the AF,⁵ and the outcomes of the AFB deliberations on this matter at its 25th meeting.

b. Status of discussions

Standing Committee on Finance

3. Pursuant to the request by Parties at CMP 10, the SCF, at its ninth meeting, considered the possible future institutional linkages between the AF and other institutions under the Convention. Consequently, it agreed to look into the following issues:
 - 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;⁶
 - c. Possible future institutional linkages between the AF and other institutions under the Convention in the broader context of the future financial architecture.
4. The SCF also agreed to invite SCF members, observers and thematic bodies under the Convention to make submissions on the issues referred to in paragraph 3a and b above.

Adaptation Fund Board

5. In accordance with the mandate referred to in paragraph 1 above, the AFB, at its twenty-fifth meeting in April 2015, considered options for developing operational linkages between the AF and constituted bodies under the Convention based on the paper prepared by the SFB secretariat.⁷ The AFB decided to request its Chair and Vice-Chair to initiate consultations with the SCF and start a dialogue with the GCF

¹ Decision 6/CP.20, paragraph 22.

² Decision 2/CMP.10, paragraph 7.

³ Decision 2/CMP.10, paragraph 6.

⁴ AFB document AFB/B.25/1.

⁵ FCCC/TP/2014/7.

⁶ At SCF 9, the committee noted that, from a legal point of view, the AF is established under the Kyoto Protocol, which implies that the establishment of any institutional arrangements between the AF and other institutions under the Convention which have legal implications would require decisions both by the COP and the CMP.

⁷ AFB document AFB/B.25/Inf.6.



Board on potential linkages between the two funds. It also requested the issue of complementarity between the two funds to be considered by the GCF Board at the earliest.⁸

6. The AFB requested its secretariat:
 - a. To prepare a document containing further legal, operational and financial analysis on the implications of various linkages with the GCF, for consideration by the AFB at its twenty-sixth meeting.
 - b. To discuss with the GCF secretariat concrete activities to initiate collaboration, including but not limited to the following areas:
 - i. Readiness support, including by organizing joint activities such as workshops or seminars in regions;
 - ii. Results-based framework;
 - iii. Accreditation;
 - iv. Project/programme identification.

Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP)

7. The future role of the AF has also been discussed in the ADP and included in the Geneva text as part of climate finance-related institutions under a new agreement.⁹

II. Institutional linkages and relations from a legal point of view

8. There was a broad understanding among the SCF members that “institutional linkages” could require a decision by the COP/MOP in most cases, while “relations” would not.
9. Institutional linkages usually require some type of formal agreement/decisions of the entities concerned and will address issues of accountability, role and responsibilities of the entities, etc. One example of institutional linkage is the institutional linkage of the UNCCCC secretariat to the United Nations. The central premise of the framework of this institutional linkage is to provide an efficient arrangement for administrative support to the secretariat that would ensure proper procedures, controls and accountability, while allowing for managerial autonomy, flexibility and accountability to the COP. This framework acknowledges the autonomy of the secretariat, and at the same time enables the secretariat to draw upon the advice and support of the departments, programmes and agencies of the United Nations and to benefit from close working relations with, and the support of, the United Nations. This institutional linkage was initially approved by the COP in April 1995, and by the UN General Assembly (UNGA) in December 1995.¹⁰ Over the years, this linkage has been consistently reaffirmed and continued without changes by the COP and the UNGA.
10. On the other hand, the development of relationships between the AFB and other institutions under the Convention does not require any formal agreement/decisions of the entities concerned. In this regard, and as further developed later in this paper, the AFB has undertaken many cooperative and collaborative efforts with other institutions which are considered part of the day-to-day or operational activities of the AFB based on its existing functions.

III. Overview of the Adaptation Fund

a. Status of delivery of projects of the Adaptation Fund

11. As of 10 April 2015, the AFB had approved 47 projects amounting to USD 312 million, of which 14 projects/programmes were proposed by national implementing entities (NIEs).
12. The AF encountered delays in funding project proposals from multilateral implementing entities (MIEs) since 2012 due to the lack of availability of additional financial resources. However, all the pipeline projects have now been cleared, or are in the process of being cleared, through the additional financial contributions made by several developed countries.

⁸ AFB decision B.25/26.

⁹ Elements related to the AF are contained in the annex to decision 1/CP.20.

¹⁰ See Decision 14/CP.1 and UNGA Resolution 50/115, respectively.

b. Distinguishing features of the Adaptation Fund compared to other multilateral climate funds

13. Compared with other multilateral climate funds, the AF has a variety of distinguishing and unique features.

Governance structure

14. The AFB comprises 16 members and 16 alternate members representing Parties to the Kyoto Protocol, in which majority of the members and alternates represent developing country Parties.¹¹ This arrangement allows the AF to reflect the views from representatives of developing country Parties on every aspect of its operation including its strategic priorities, policies and guidelines. Therefore the AF is often called the “fund for developing countries”, while the Board operates on a consensus basis and has not gone to voting.
15. This composition is different from those of the operating entities of the Financial Mechanism under the Convention, which have an equitable and balanced representation of all Parties pursuant to Article 11.2 of the Convention.

Transparency and Stakeholder Participation

16. The meetings of the AFB are webcast and open to observers except when otherwise decided by the AFB (in cases of, for example, internal strategic discussions). The AFB also allocates dedicated time for dialogue with civil society organizations during each AFB meeting in order to take advantage of their experience and expertise on the ground. For the sake of enhancing transparency, the AFB has made public the reports of the meetings of the Ethics and Financial Committee and the Project and Programme Review Committee since their fourteenth meeting, in addition to the reports of the meetings of the AFB in accordance with decision 1/CMP.3.
17. Furthermore, the AFB has actively addressed corruption, related to the decision making process and the operations of the AF. A code of conduct for the AFB members and alternates has been established, and the AFB, at its twenty-fourth meeting in October 2014, also approved its zero tolerance policy for corruption, which expresses its determination to prevent any fraudulent or corrupt behavior.

Access modality

18. Efforts by the AFB to enhance direct access are considered as one of the most distinguishing aspects of the AF among different climate funds. This modality has allowed recipient countries to directly access financial resources through their own national implementing entities and to enhance their institutional capacity for financial management. As at April 2015, 19 entities have been accredited as an NIE.
19. In order to put the modality for direct access in place, the AFB has, over time, evolved and streamlined its robust process for the accreditation of implementing entities. In addition, the AFB also took various actions to disseminate its direct access modality through its readiness programme for climate finance. This was aimed at helping recipient countries to identify their own implementing entities and strengthen the capacity of accredited NIEs and regional implementing entities to receive and manage climate financing. The readiness programme also aims at promoting a South-South grants programme which will support experienced NIEs to assist countries working to become accredited for climate finance.
20. Furthermore, the AFB has been actively pursuing “enhanced direct access”, which enables recipient country agencies to make funding decisions, by their own choice, on which project proposals should be financed. At its twenty-fourth meeting, the AFB approved a project proposed by an NIE in South Africa, which will develop and implement a small grant finance mechanism to deliver direct and tangible adaptation benefits with a view to scaling up and replicating this model. It is expected that such an approach will promote country-drivenness regarding project/programme formulation and implementation within recipient countries.

Project/programme policies

21. Since its inception, the AFB has improved its project/programme policies taking into account a variety of experiences and lessons learned at an early stage of its operation.

¹¹ Decision 1/CMP.3.

22. As an example, the AFB has amended the Fund's operational policies and guidelines several times to make them more fit-for-purpose and conducive to improving the quality of the projects/programmes. These amendments have also allowed the AF to strengthen its risk management framework over time.¹² Such efforts have led to the enhancement of effectiveness and efficiency in terms of the project cycle from approval to implementation and review.
23. Another distinguishing feature of the AF is the principle of financing full adaptation cost, as mandated in the Strategic Priorities, Policies, and Guidelines of the AF adopted by the CMP. Compared with many other operational funds which finance only the incremental cost, the AF covers a full cost of adaptation which means that projects do not have to be tied to baseline projects that serve as co-financing. This arrangement allows recipient countries to avoid a significant hurdle to secure co-financing, which may slow down identification/formulation of projects, or even influence the project focus.

Country ownership/drivenness

24. Through its direct access modality, the AF has increased country ownership in the implementation of projects/programmes within recipient countries, which is generally recognized as one of key enabling environments for the effective delivery of finance.
25. With regard to the issue on balances between country ownership and accountability, the AF finances concrete adaptation projects/programmes based on the needs, views and priorities of eligible Parties, while at the same time, it looks at project/programme proposals from a technical perspective by drawing on technical reviews from the AFB secretariat.

Results based management

26. The AF also has a stronger focus on results-based management than other financial institutions. In order to encourage efficient implementation of projects, the fund transfers are done annually tied to the submission of project performance reports, including the actual expenditures. Fund releases are withheld until reports are submitted.

IV. Overview of collaboration between the Adaptation Fund and institutions under the Convention

a. Operating entities of the Financial Mechanism (FM) of the Convention

i. The Green Climate Fund (GCF)

27. The Governing Instrument (GI) of the GCF states that the Fund will initially have thematic funding windows for adaptation and mitigation, with an integrated approach to funding mitigation and adaptation to allow for cross-cutting projects and programmes, and ensuring adequate resources for capacity building and technology development and transfer¹³. Furthermore, the GI of the GCF confers authority upon the GCF Board to add, modify and remove additional windows and substructures or facilities as appropriate¹⁴.
28. In the context of adaptation finance, the COP also decided that a significant share of new multilateral funding for adaptation should flow through the GCF¹⁵.
29. The GI of the GCF also establishes two main access modalities based on the nature of the accredited entity used to access GCF's resources by developing country Parties to the Convention. Direct access includes subnational, national and regional institutions, whereas international access occurs when recipient countries access the GCF through accredited international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions. Country ownership is a strong underlying principle underpinning the GCF's access modalities.
30. Pursuant to GCF Board decision B.04/15, in July 2013, the GCF Secretariat invited the AFB secretariat to take up observer status. The AFB secretariat is currently registered as an observer at GCF Board meetings.

¹² <https://www.adaptation-fund.org/sites/default/files/AF%20risk%20management%20framework_Board%20revised.pdf>.

¹³ Governing Instrument of the GCF, paragraphs 37 and 38.

¹⁴ Governing Instrument of the GCF, paragraph 39.

¹⁵ Decision 1/CP.16, paragraph 100.

31. The COP also requested the GCF Board to initiate a process to collaborate with relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate.¹⁶ The GCF secretariat prepared a background document for consideration by the GCF Board at its tenth meeting in July 2015.
32. The secretariats of the AFB and the GCF collaborated in the development of the GCF's initial accreditation framework, including its initial fiduciary principles and interim environmental and social safeguards adopted by the Board at its seventh meeting in May 2014. This collaboration facilitated understanding in the development of the GCF's "fit-for-purpose" approach to its accreditation framework. Two NIEs, one RIE and two MIEs of the AF were eventually accredited by the GCF at its ninth meeting through its fast-track modality.

ii. The Global Environment Facility

33. The GEF has aimed to build complementarity between different funds, including the AF, in order for them to be jointly more synergistically employed for the benefit of recipient countries.¹⁷ The GEF and AFB secretariats have discussed issues related to monitoring and evaluation, in particular looking at how best to measure adaptive capacity and increased resilience, as well as exchange of information on accreditation, readiness and direct access for enabling activities.
34. The AF and GEF have also collaborated at the project level such as in Tanzania where UNEP implemented projects from both funds in the same area of intervention in order to reduce costs, build synergies and avoid duplication of efforts in relation to capacity strengthening for non-governmental organizations and academic institutions, as well as in relation to administrative issues including joint procurement.
35. Furthermore, the GEF secretariat continues to support the AFB secretariat in reviewing project/programme proposals under the AF.¹⁸
36. It also continues to provide secretariat services to the AFB since 2008 on an interim basis.¹⁹ Initially, the GEF provided substantial support to the AFB as its interim secretariat to establish basic administrative, institutional, policy and legal architecture in 2008, before the AF was fully operationalized. Since 2009, most of the work for these services has been carried out by a dedicated team of officials in a functionally independent manner.

b. Other institutions under the Convention

i. The Standing Committee on Finance

37. The AFB and UNFCCC secretariats exchanged information in the preparation of the fifth review of the Financial Mechanism, which examined the consistency and complementarity of funds under the Convention (GCF and GEF and its related funds) and the activities funded by other multilateral climate funds including the AF.
38. Relations between the SCF and the AF has been enhanced in recent years, with increased participation in meetings, and through mandates by the COP as referred to in paragraph 1 above. Members of the AFB and representatives of its secretariat participated in the first SCF forum in 2013 as panellists. The subsequent year, the AFB secretariat made a contribution to the second SCF forum as a presenter and a facilitator. Representatives of the AFB secretariat regularly attend SCF meetings, and an AFB Chair has attended an SCF meeting.
39. The SCF has, in turn, been represented at AFB meetings, and representatives of the UNFCCC secretariat attend all AFB meetings so as to inform the SCF.

¹⁶ Decision 6/CP.18, paragraph 7(f).

¹⁷ FCCC/KP/CMP/2011/6/Add.1, annex, appendix IV, paragraph 14.

¹⁸ For example, AFB document AFB/B.24/3, paragraph 41.

¹⁹ In accordance with the invitation by the CMP (Decision 1/CMP.3, paragraph 19) and the subsequent decision on the legal arrangement for the secretariat of the AFB (decision 1/CMP.4, annex II),

ii. The Adaptation Committee

40. The co-chairs of the AC are tasked with ensuring a continued dialogue with the AFB.²⁰
41. In addition, the AC has been making efforts to increase coherence and collaboration on adaptation-related matters under the Convention, including with the AF.²¹ As part of this work, the Committee, in 2014, took stock of existing adaptation finance, and a presentation was made at its fifth meeting by a representative of the AFB. The presentation focused on the AF's experience in supporting the NAP process.²²
42. The AFB, at its 24th meeting, discussed with the co-chairs of the AC on how to enhance collaboration between the two institutions. As a result of this discussion, AFB secretariat took part in the AC workshop on the means of implementation for enhanced adaptation action in March 2015,²³ and a representative from the AFB attended the AC/LEG workshop on experiences, good practices, lessons learned, gaps and needs on the process to formulate and implement national adaptation plans in April 2015.

iii. The Climate Technology Centre and Network

43. The secretariats of the AFB and CTCN identified potential synergies including the provision of additional technical assistance by the CTCN for project formulation grant under the AF.²⁴ At AFB 24, the Director of the CTCN made a presentation and discussed with the AFB members possible areas of collaboration and synergies including operational modalities.²⁵
44. Both AF and CTCN Advisory Boards have encouraged cooperation among the respective secretariats. In addition, the AF and CTCN have developed specific coordination modalities, including the following:
 - a. NIEs accredited by the AF are invited by the AFB Secretariat (via official communication and their website) to request additional technical assistance from the CTCN to contribute to project preparedness and the likelihood of successful implementation during the stages of AF project design;
 - b. The CTCN invites its request proponents and national designated entities to consider developing a funding proposal to the AF, when the conditions (NIE, funds available for the country, etc.) are in place to do so.
45. In addition, the AF requested the CTCN to comment on its new regional project funding window, which the CTCN did.

V. Options for possible future institutional linkages and relations

46. One submission from an SCF member mentioned that these discussions should be guided by general principles which would apply across the sections below. One such principle is that the complementarity and the coherence among the different funds and institutions should remain the "backbone on which to build the future climate finance architecture". Changes in the current institutional architecture should not put at risk the individual strengths and merits of each fund and institution, such as the Adaptation Fund's governance structure, its innovative financial sources, and its direct access modality.²⁶
47. Furthermore, the submission noted that a careful analysis needs to be taken with regards to the legal, operational and financial implications of the different options in relation to the status quo, taking into account the respective mandates of the different funds and institutions. Timing of reform is critical and as a result, no structural changes should be undertaken while funds and institutions have not yet fully performed (such as the GCF), nor should they be "locked-in for an unlimited time".²⁷

²⁰ FCCC/TP/2014/7, paragraph 106.

²¹ For example, see AC document AC/2014/10 on financing for national adaptation plans.

²² Presentation material is available at

<http://unfccc.int/files/adaptation/cancun_adaptation_framework/adaptation_committee/application/pdf/af_adaptation_planning.pdf>.

²³ <http://unfccc.int/adaptation/groups_committees/adaptation_committee/items/8860.php>.

²⁴ AFB document AFB/B.24/3, paragraph 3.

²⁵ AFB document AFB/B.24/7, paragraph 21.

²⁶ Submission by SCF member Stephan Kellenberger, available at <<http://unfccc.int/7561.php>>.

²⁷ Submissions by SCF member Stephan Kellenberger and Germanwatch, available at <<http://unfccc.int/7561.php>>.

48. A submission from another SCF member mentioned that relations between the AF and other institutions under the Convention should aim to enhance outreach and learning in relation to the implementation of concrete adaptation actions, create a clearer relationship to the implementation process for NAPs (for all developing countries) and build a more responsive adaptation implementation agenda under the COP.²⁸

a. Possible future institutional linkages and relations with the operating entities of the FM of the Convention

i. Green Climate Fund

49. As mentioned in paragraph 5 above, the AFB decided to pursue opportunities for collaboration across relevant operational areas of work, such as readiness support, results-based framework, accreditation and project/programme identification, while in parallel exploring other legal, operational and financial analysis on the implications of various linkages with the GCF.

50. Strengthened relations with the GCF could be undertaken at different levels, including through direct communication between both Boards to determine areas of work for synergies, collaboration and other opportunities for institutional coherence. The SCF may be in a position to facilitate such dialogue in the context of its mandate to ensure coherence and coordination in the delivery of climate finance. Based on this dialogue, the SCF may then advise the COP, as appropriate, on options for specific guidance and decisions to define any need for changes or adjustments in the institutional setup of the respective institutions.

51. In assessing different options and opportunities for coordination and coherence, the SCF may want to consider the following criteria:

- a. Inherent competitive advantages and institutional capacities in place in each institution and how they relate to their core mandate, as defined by their overarching oversight level and by any outcome in the ADP or other relevant processes under the UNFCCC;
- b. Governance structures, accountability and institutional oversight;
- c. Funding and scale of financial sources and financial instruments employed;
- d. Communication channels, networks, systems and relationships between the two funds and their beneficiaries, donors and relevant stakeholders;
- e. Timelines of both, those related to regular operations and workplan of both funds, as well as of those emerging from the UNFCCC processes.

52. One submission also noted that the AF could be an accredited entity of the GCF through the AFB.²⁹ The AFB agreed to further assess the potential of the AF to apply for accreditation as a financial intermediary of the GCF.³⁰ While this is an option for the AF, this will be an operational process to be undertaken within the guidelines, procedures and principles of the accreditation framework of the GCF without the need for intervention or guidance from any other oversight body. However, the AFB may need to bring this to the attention of the CMP prior to its application for accreditation with the GCF, since this may expand the purview of the AFB's mandated activities.

53. The AFB also decided to further assess the feasibility to enter into some form of memorandum of understanding or legal agreement with the GCF under which the AF could programme GCF funds.³¹ If this means that the GCF will transfer funding to the AF under some kind of framework of activities, the AFB would administer funds on behalf of the GCF. This option may then require attention from the CMP to corroborate the mandate of the AFB in this respect.

54. The SCF may also wish to consider the options presented to the AFB by the AFB secretariat at its twenty-fifth meeting.³² This document provides options depending on the level of institutional and operational integration between the two funds, ranging from a scenario with little or no integration where collaboration and coordination at the operational level could be the only meaningful element, to a

²⁸ Submission by SCF member Richard Sherman, available at <<http://unfccc.int/7561.php>>.

²⁹ Submission by South Centre, available at <<http://unfccc.int/7561.php>>.

³⁰ AFB decision B.24-25/9.

³¹ AFB decision B.25/26.

³² AFB document B.25/Inf.6.

scenario of full integration where the AF becomes merged with the GCF as one of its funding windows. Such latter scenarios may require a specific CMP mandate (see below).

55. These options will also have different implications on the level of decision-making that will need to be involved. The following list illustrates some cases but not all possible scenarios.

Scenario/option	Decision making level required	
	CMP/AFB	COP/GCF
Operational collaboration	AFB Secretariat	GCF Secretariat
Accreditation of the AF as intermediary	May require decision by the CMP as well as by the AFB	GCF Board
Operational coordination/coherence/complementarity	AF Board	GCF Board
Programmatic funding window arrangement through some form of MoU or legal agreement (without accreditation of the AF) (e.g. for small projects, or direct access, etc.)	May require decision by the CMP as well as by the AFB	GCF Board
Programmatic agreement for targeted readiness support (e.g. accreditation of national implementing entities focused on adaptation)	May require decision by the CMP as well as by the AFB	GCF Board ³³
AF serving as a specialized funding window of the GCF (in addition to the two existing funding windows stipulated in GI, paragraph 37, or as a sub-window of the existing adaptation funding window of the GCF)	May require decision by the CMP as well as by the AFB	GCF Board
AF serving as the adaptation window of the GCF, stipulated in GI, paragraph 37	May require decision by the CMP as well as by the AFB	GCF Board

ii. Global Environment Facility

56. Opportunities for further collaboration and synergies may be pursued as the adaptation portfolio of the both institutions grow and mature, including through exchange of lessons learned. Similarly, as long as GEF continues with its mandate as host of the interim secretariat of the AFB secretariat, opportunities for further enhancing technical support, and administrative backstopping may continue to be discussed.
57. On a more strategic level, some Parties are of the view that accreditation procedures and requirements for direct access across the AF and other funds need to be more consistent and streamlined. Therefore, enhanced dialogue or collaborative work regarding direct access could be pursued as an option for future relation with regard to the GEF which launched its Direct Access Modality at the beginning of GEF 5.
58. Finally, a mapping exercise by the SCF could further explore the matter of institutional linkages and relations between the AF and other institutions under the Convention. This exercise would map the areas of work and activities covered by various climate finance institutions under the Convention, including their assessed performance.

³³ Decision B.08/11 (q) already requests the GCF Secretariat "to coordinate, collaborate, and enter into partnerships, where appropriate, through framework cooperation agreements such as Memorandums of Understanding, with other national, regional and international institutions involved in the delivery of readiness support".

b. Possible future institutional linkages and relations with other institutions under the Convention

59. The continued sharing of knowledge between the AFB and other institutions under the Convention on specific issues could be continued, to maintain the status quo.
60. Another option is for the relations with these bodies to be further enhanced through increased exchange of information. Thus far, the exchange of information has served to inform both the AFB, as well as the constituted bodies, and has proven useful. Furthermore, the cross participation in meetings/workshops can also be enhanced to allow members of different bodies to interact and share information, with the aim of enhancing coherence and coordination and avoiding duplication of efforts.
61. One way to enhance the efforts mentioned in paragraph 60 above could be to set a standard roster of communications, for example for each body to share information with the other within two weeks of the closure of the meetings of that body. In addition, a standing invitation to the co-chairs, or chair and vice chair, of the bodies to their respective meetings could be formalized.
62. There was also a suggestion, made in 2014 by the Alliance of Small Island Developing States, for the SCF and Adaptation Committee to support, where appropriate, the Adaptation Fund Board in developing fundraising strategies.³⁴
63. There was a suggestion by the G77 and China made during SBI 40, for the SCF mandate to be expanded to lead an assessment on enhancing complementarity and coherence between the LDCF, SCCF, AF GCF and GEF, while ensuring their stand-alone status as totally separate entities.
64. Discussions have been held under the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), regarding collaboration, which would contribute to avoiding duplication of work, and improving efficiency among the different expert groups and other constituted bodies under the Convention. Collaboration and discussion would also facilitate sharing of experiences and lessons learned among the bodies to enhance their effectiveness in performing their mandated tasks. The CGE has not explicitly discussed the Adaptation Fund, however such discussions could be an option for the future.
65. There was also a suggestion by an SCF member for linkages to be further explored with the Warsaw International Mechanism and the Least Developed Countries Expert Group, particularly as it relates to the NAP processes, and the TEC. Regarding the latter, in response to a request from the COP, the TEC prepared its recommendations on linkages between the Technology Mechanism and the Financial Mechanism of the Convention for consideration at COP 20.³⁵

VI. Conclusions and additional recommendations

66. The SCF may wish to establish a workplan with the AFB on the consideration of this issue. Since there may be implications on other institutions, the SCF may also wish to consider engaging the governing bodies of the institutions concerned (e.g. GCF Board) in the definition of relevant elements of such workplan, taking into account appropriate timelines and mindful of the relevant ongoing processes under the UNFCCC. It may be useful to consider the outcome of this exercise as a process with a concrete timeline (e.g. by COP 24) and specific milestones to be achieved along the way (e.g. in-depth assessment of options, selection of the best option, proposals for operationalization, implementation and execution, etc.).
67. Several submissions received on this topic point to the need to:
 - a. Consider the different dimensions at which the AF operates or may operate, for example at the institutional level (COP/CMP guidance, coordination with relevant technical UNFCCC bodies such as the AC and the LEG), at the operational level (synergies and coordination with the operating entities of the financial mechanism), at the resource mobilization level (sources and specific capacities and experience to mobilize climate finance);
 - b. Consider ongoing work by Parties under relevant processes of the UNFCCC (e.g. ADP);

³⁴ Nauru on behalf of the Alliance of Small Island States on the second review of the Adaptation Fund, available at <http://www4.unfccc.int/submissions/Lists/OSPSubmissionUpload/39_9_130414316320995945-1.%20AOSIS_FINAL%20SUB_AF%202nd%20Review.pdf>.

³⁵ FCCC/CP/2014/6.

- c. Consider the state of play and agenda of work of each institution concerned with a view to avoiding negative implications that may hinder appropriate institutional consolidation;
 - d. Consider institutional adjustments or changes, with respective COP and COP/CMP decisions, that may be needed in order to achieve desired coherence and coordination as a result of this work;
 - e. Look into experiences, lessons learned and installed capacity at each institution concerned in this process;
 - f. Consider 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;
 - g. Consider that 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.
-