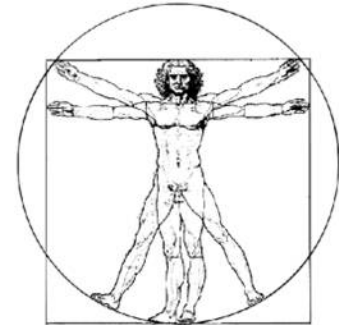


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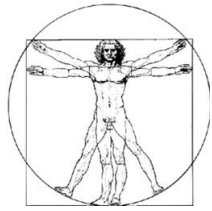


Mobilizing Resources for the Adaptation Fund

ecbi Dinner Seminar,
Tuesday 14 March 2017, La Redoute, Bad Godesberg

Benito Müller
Director [ecbi](#),
MD [oxford climate policy](#)

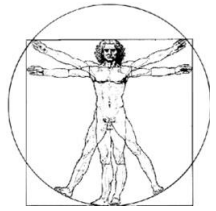
for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques



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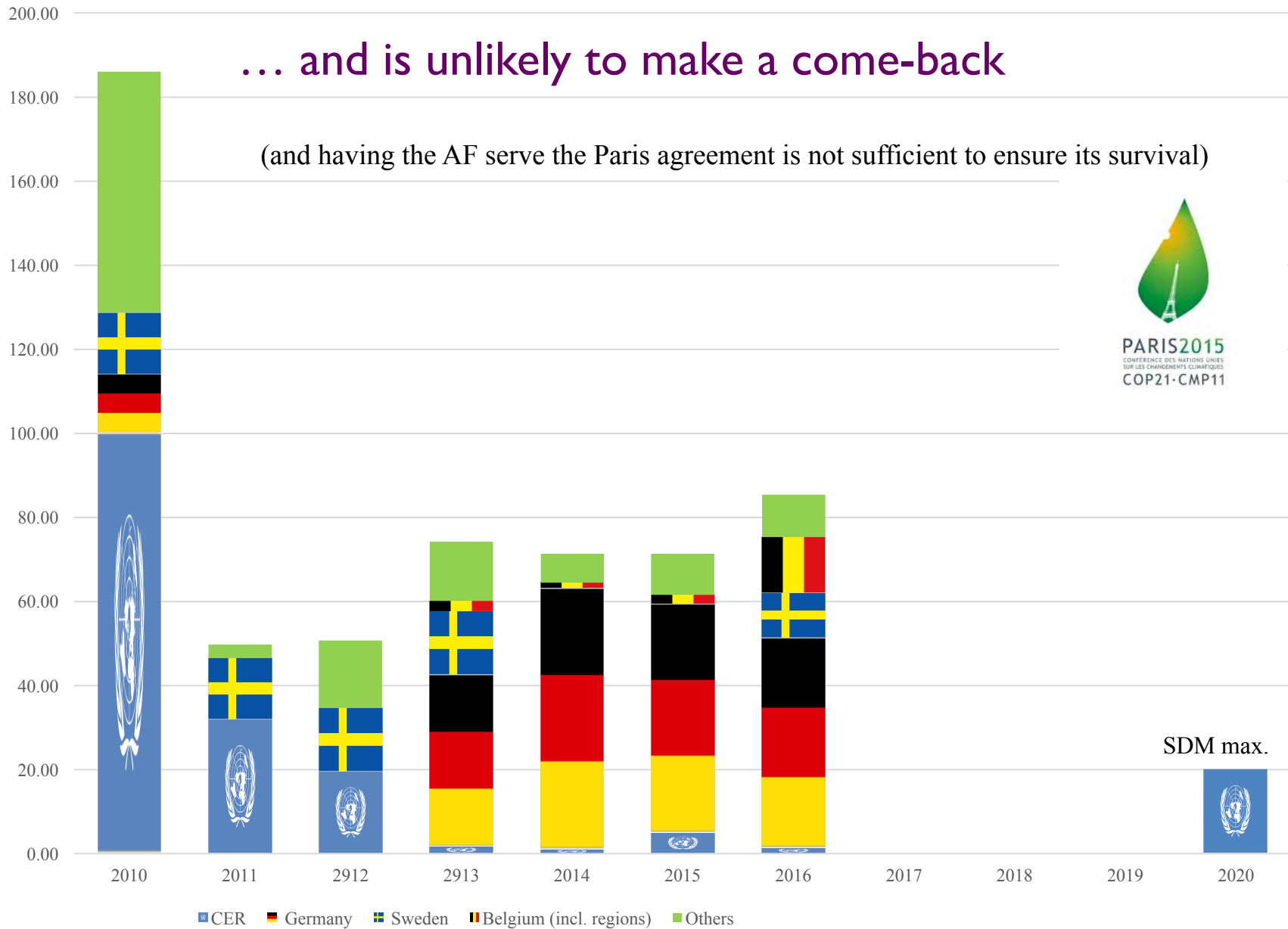
Three Issues

No. 1: Original 'Core' Funding has dried up



... and is unlikely to make a come-back

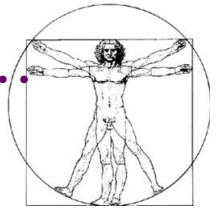
(and having the AF serve the Paris agreement is not sufficient to ensure its survival)



SDM max.

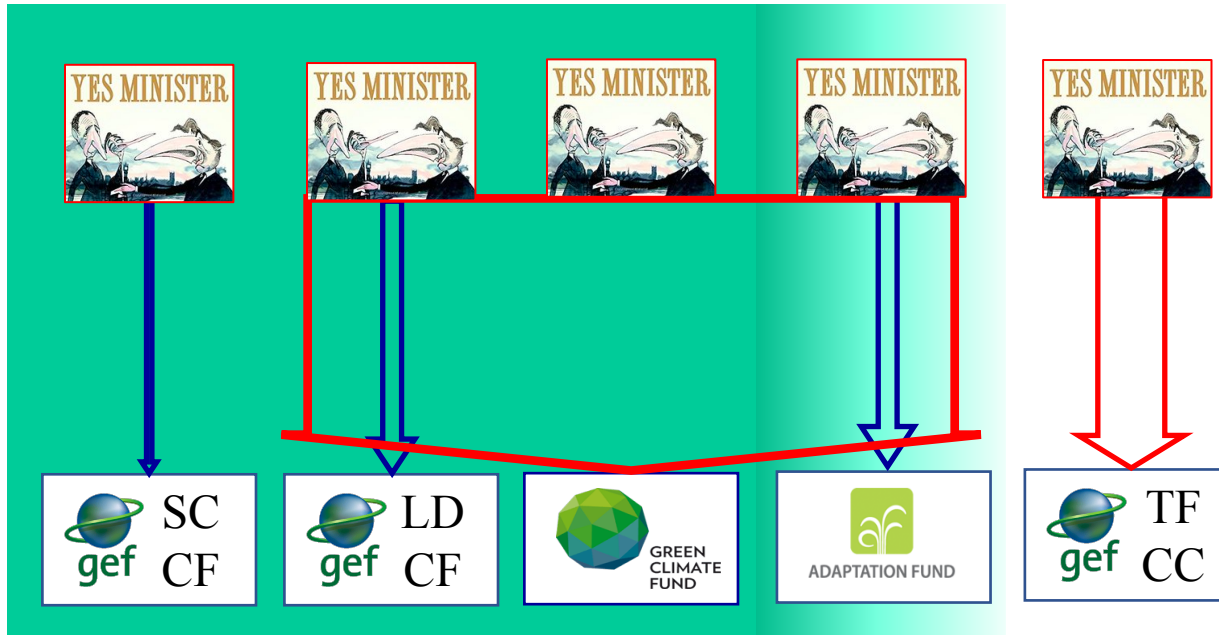
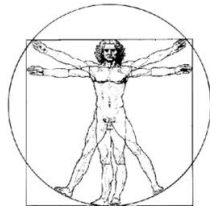
European capacity building initiative ecbi

No. 2: Voluntary Contributions are also in danger of being diverted...
...to fill the GCF 'Trump hole'.



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No. 3: Unnecessary Administrative Overheads

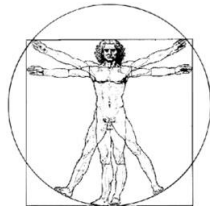


Average annual contributions (to scale)

➡ Voluntary Contributions

➡ Replenishments

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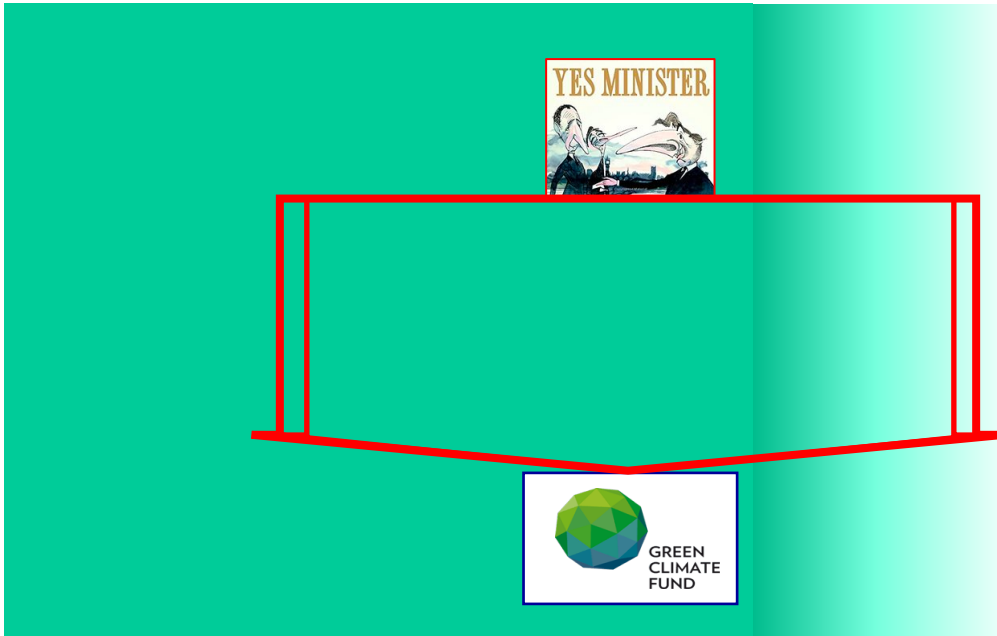
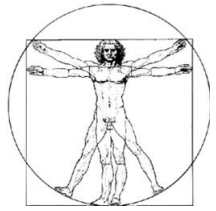


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Solutions?

Rationalizing the Financial Mechanism

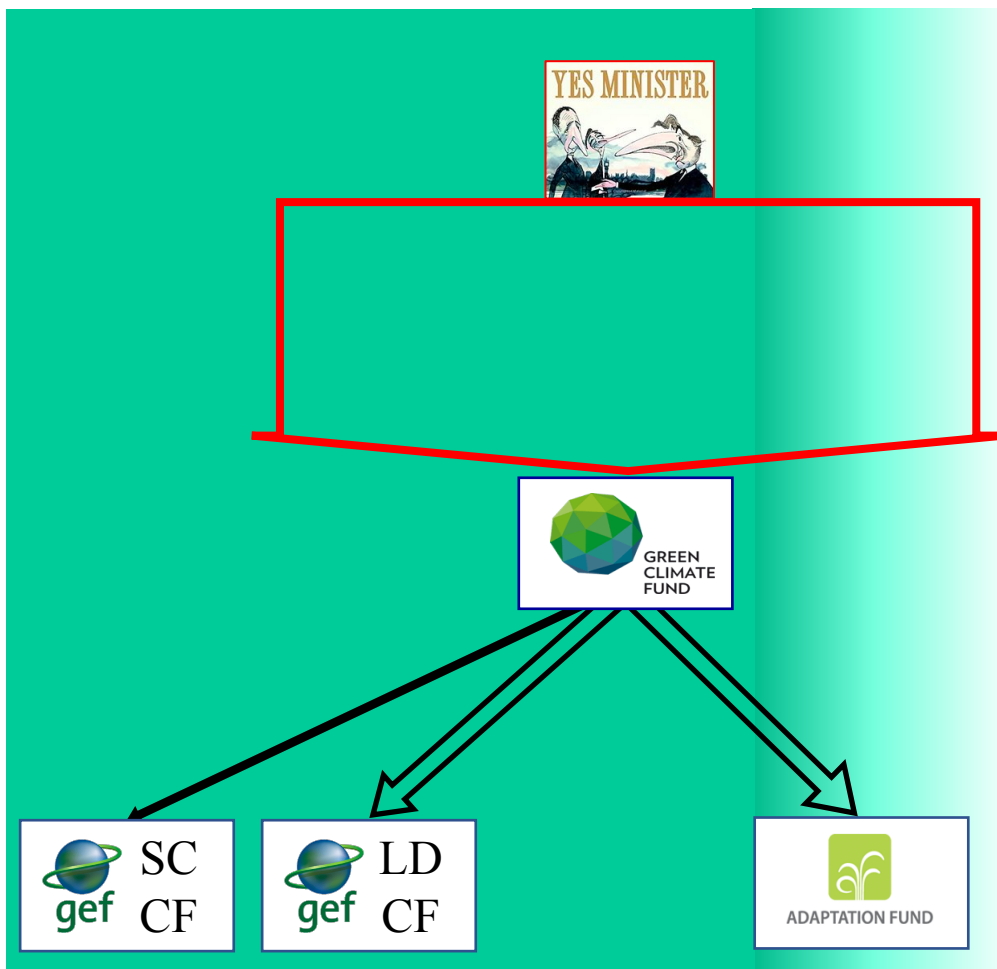
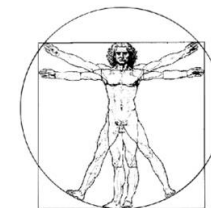
Plan A: Rationalizing the Funds



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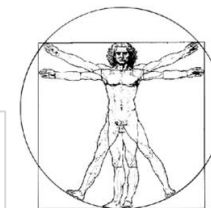
Rationalizing the Financial Mechanism

Plan B: Rationalizing the Funding Streams through GCF 'Wholesaler'

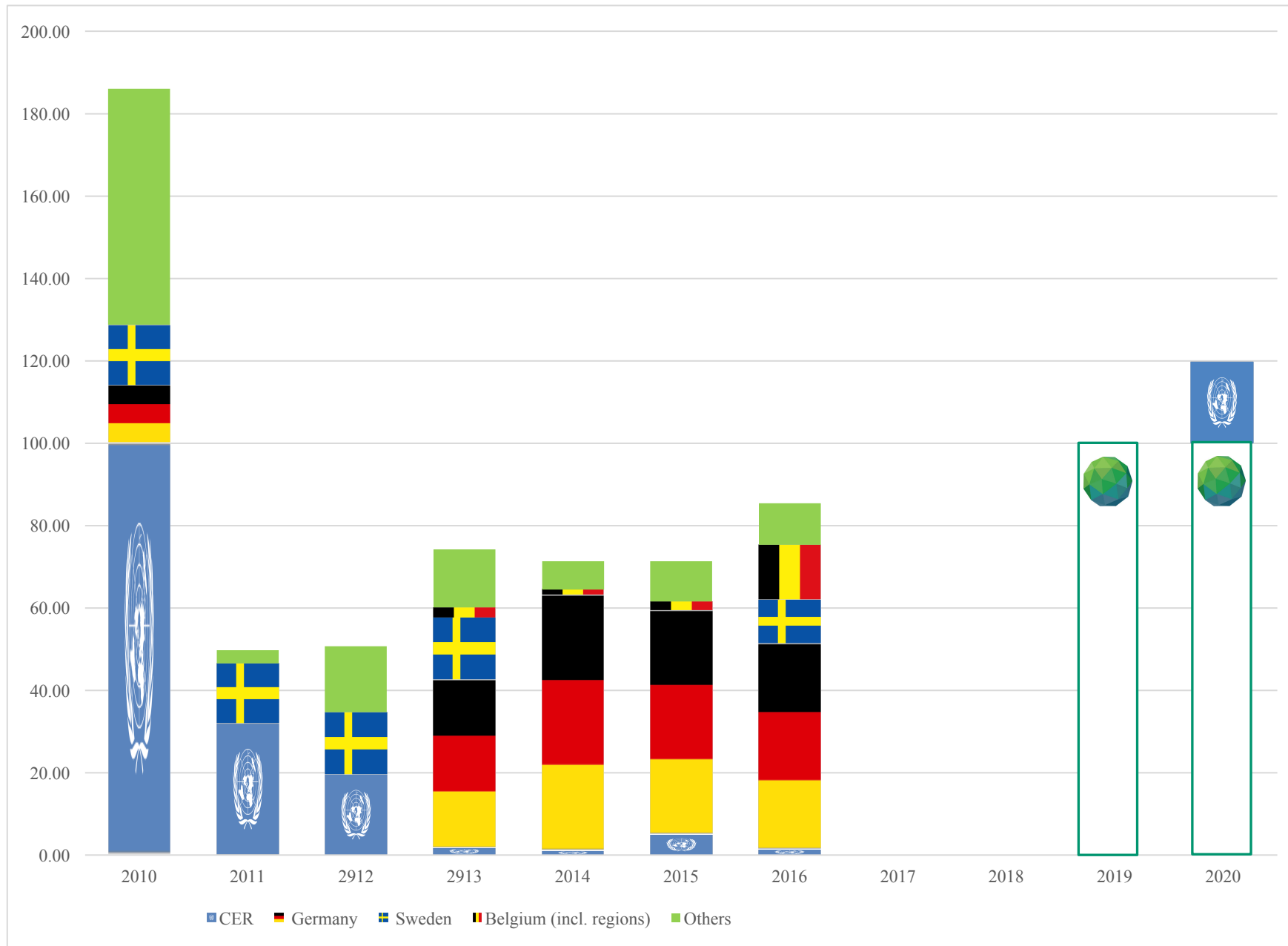


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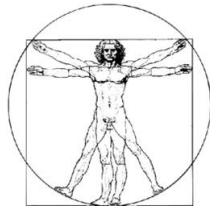
New GCF 'Core funding'



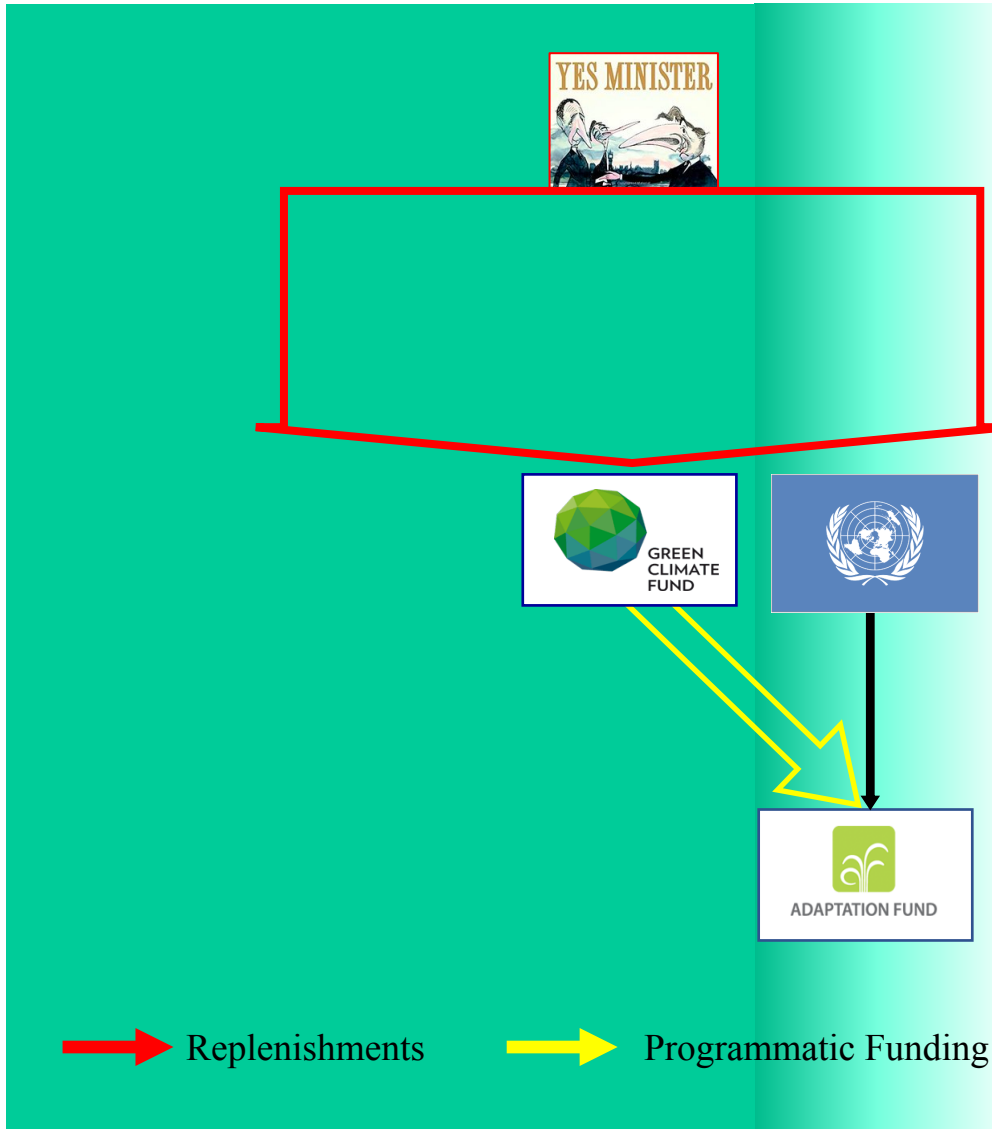
European capacity building initiative ecbi

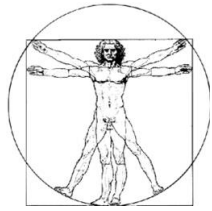


The Adaptation Fund as programmatic multilateral adaptation 'retail agent' of the GCF



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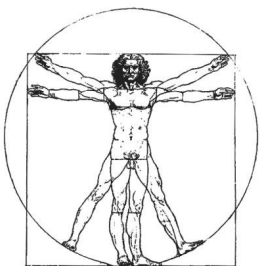




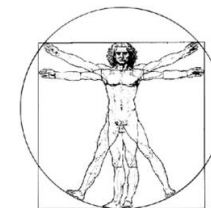
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Nothing new!

ecbi policy brief



April 2010

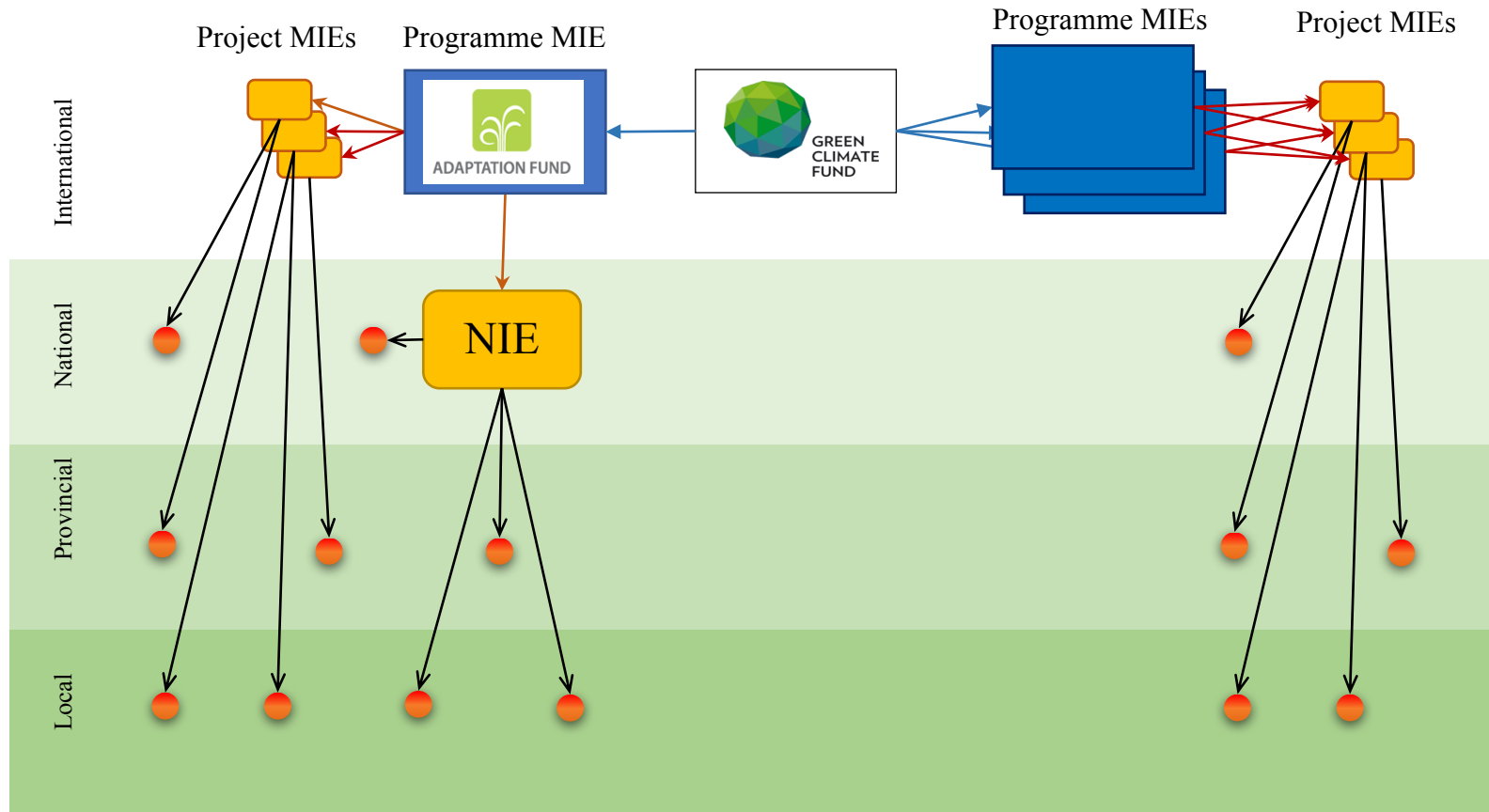
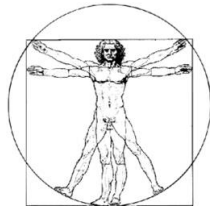


The Reformed Financial Mechanism
of the UNFCCC
Post Copenhagen
Architecture and Governance

April 2010

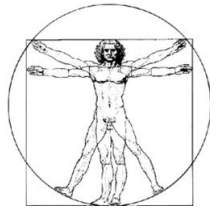
Benito Müller

GCF Enhanced Multilateral Access

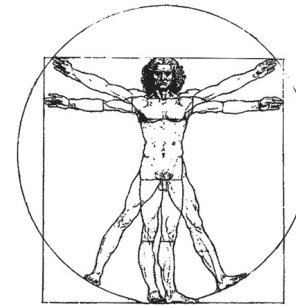


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March 2015



 **HEINRICH BÖLL STIFTUNG**
NORTH AMERICA

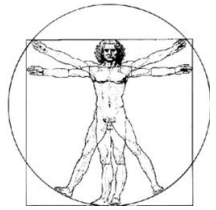


ecbi

The Adaptation Fund at a Crossroads

Report of a brain-storming dialogue organized by the Heinrich Böll Stiftung North America and the European Capacity Building Initiative (ecbi)

European capacity building initiative ecbi



To initiate debates on international climate policy

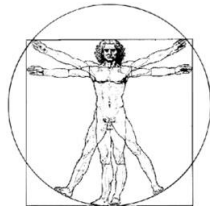


A lifeline for the Adaptation Fund?

Should the Adaptation Fund seek accreditation with the Green Climate Fund?

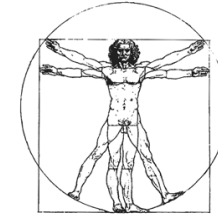
by Benito Müller

April 2015



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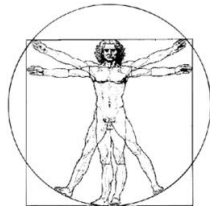


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Institutional linkages and relations between the Adaptation Fund and other institutions under the Convention

Submission to the Standing Committee on Finance¹

April 2015



To initiate debates on international climate policy

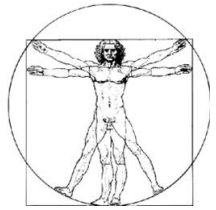


On the Virtues of Strategic Divisions of Labour

Some thoughts on strategies for the Green Climate Fund and the Financial Mechanism of the Paris Agreement

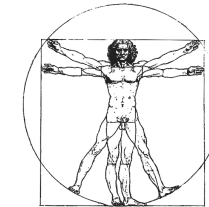
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April 2016



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Devolved Programmatic Access

JOINT SUBMISSION TO THE GREEN CLIMATE FUND BOARD

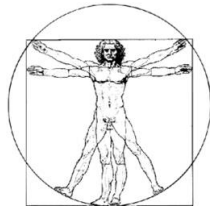
April 2016

By Benito Müller,¹

with Diann Black-Lane,² Tosi Mpanu-Mpanu,³ Cheikh Sylla,⁴ and Anders Wallberg.⁵

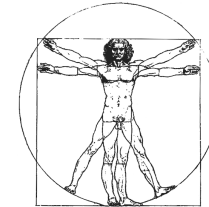
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January 2017



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Time to Decide!

THE ADAPTATION FUND AFTER MARRAKECH

Discussion Note¹

January 2017

By Benito Müller²

ecbi
building initiative
european capacity

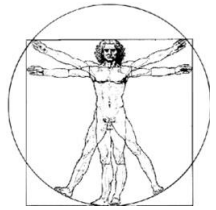


WORLD
RESOURCES
INSTITUTE

THE FUTURE OF THE FUNDS

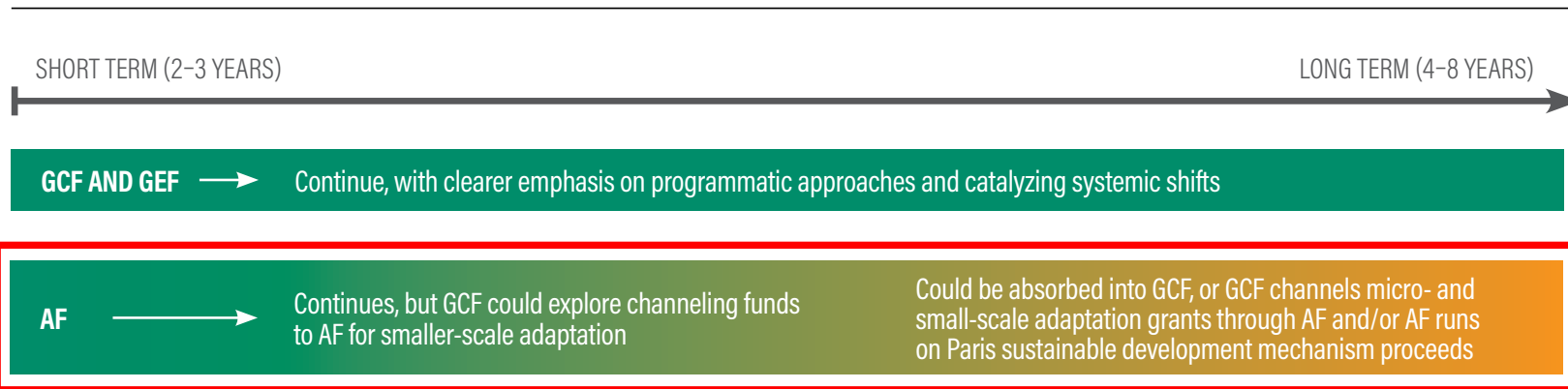
Exploring the Architecture of Multilateral Climate Finance

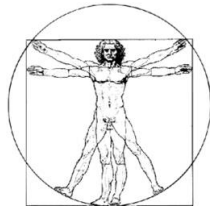
March 2017



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Figure ES-2 | Continuum of Reforms

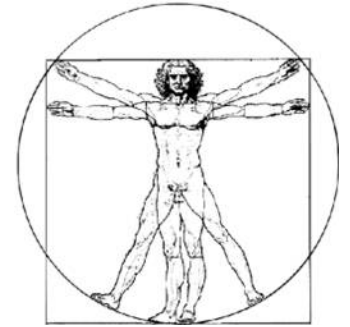




European Capacity Building Initiative ECHI

Thank You!

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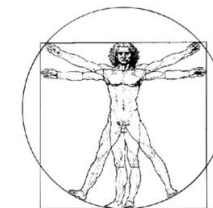
‘You’ve got the power!’ Accrediting the AF to the GCF

ecbi Dinner Seminar,
Tuesday 14 March 2017, La Redoute, Bad-Godesberg

David Rossati
Lecturer in Law
Salford Business School, Manchester UK

for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques

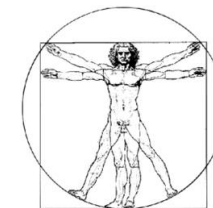
Complementing the 2017 AF Secretariat paper



Linkage scenarios

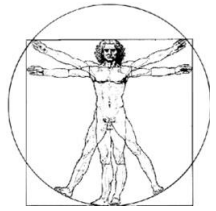
- Accreditation
- Memorandum of Understanding

Complementing the 2017 AF Secretariat paper



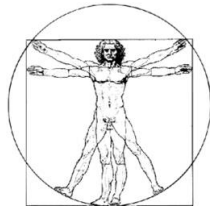
Emerging legal aspects of accreditation

1. AFB's competence to decide without a CMP decision
2. Accreditation Master Agreement (AMA) with the GCF
3. Trustee-related issues



AFB's competence to decide without a CMP decision

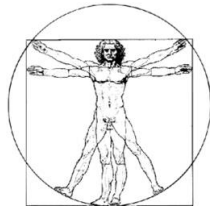
The CMP has already (**impliedly**) delegated to the AFB the competence to start the accreditation process and to conclude an AMA with the GCF.



AFB's competence to decide without a CMP decision

Implied competence of the AFB stems from:

1. Interpretation of the AFB's functions attributed in the constitutive instrument of the AFB (Dec. I/CMP3)
2. Legal nature of the accreditation process
3. CMP and AFB's practice in analogous cases.



AFB's functions

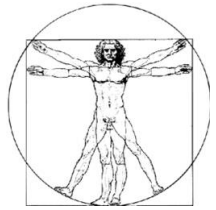
Dec. I/CMP.3



‘strategic priorities, policies and guidelines’

‘specific operational policies and guidelines’

‘... any other functions assigned to it by the CMP’



AFB's functions

Dec. I/CMP.3

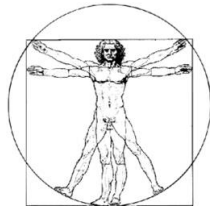


‘... any other functions assigned to it by the CMP’



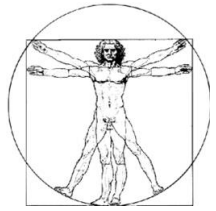
The CMP has impliedly assigned to the AFB the ‘other’ function of establishing certain operational linkages.

Legal nature of the accreditation process



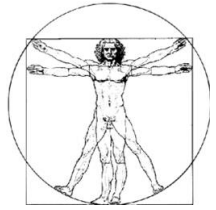
According to the rules and processes of the **GCF**, accreditation is an administrative procedure leading to an AMA with the applicant entity.

Legal nature of the accreditation process



According to the practice and strategic discussions of the **CMP & AFB**, accrediting to the GCF is part of the AF's **resource mobilization strategy** –done through an operational linkage via an AMA.

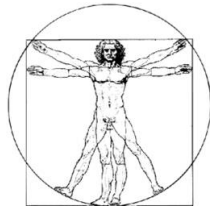
Legal nature of the accreditation process



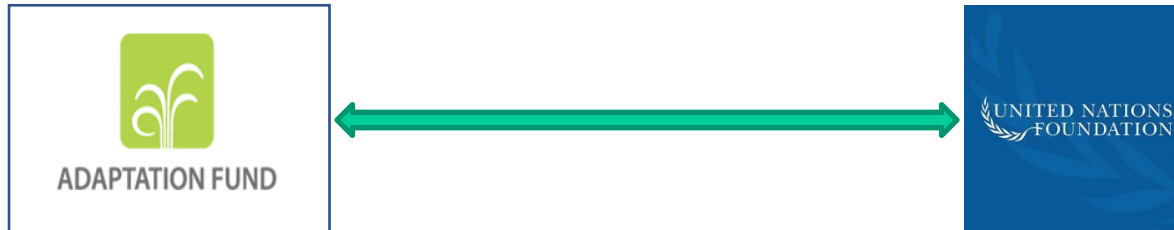
A problem?

Under the AF, certain managerial and administrative capacities needed to comply with accreditation standards are done by other entities (AF Sec. paper, para 10).

→ The GCF's accreditation does not seem to bar the outsourcing of capacities to other entities



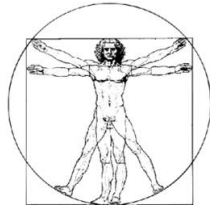
AFB practice on operational linkages for resource mobilization



2012 Framework Agreement between the UN Foundation (UNF) and the AFB

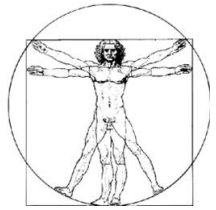
- Adopted by the AFB in the context of its nascent resource mobilization strategy
- Not recommended to the CMP for approval
- Not included in the following annual report of the AFB to the CMP and
- CMP did not give subsequent formal approval of the agreement

CMP's latest stance on the issue



CMPI2: 'Further encourages the Adaptation Fund Board, in implementing **its** resource mobilization strategy, to further **consider all potential sources** of funding;'

CMPI2: 'Encourages the Adaptation Fund Board to **continue its consideration** of linkages [...] and to report its **findings** to the CMP'



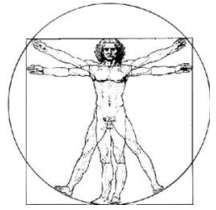
A problem?

AFB's responsibility under the AMA and conflict with the Board's immunities (AF Sec. paper, para 13-14)

There are no conflicts between the AFB's immunities under German law and obligations under the AMA, but only solutions to negotiate with the GCF



Trustee-related issues

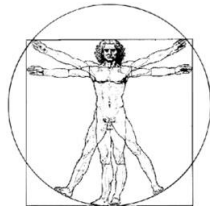


A problem?

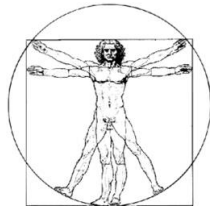
Earmarking of GCF's contributions to the AF Trust Fund?

→ The AFB can agree with the Trustee to accept donations from any individual donors (Trustee's Terms and Conditions, para 17)

Concluding...



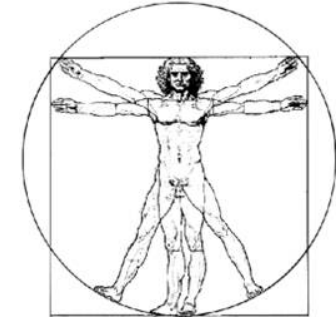
- The AFB can apply for accreditation to the GCF
- The AMA can serve as an enabling instrument aligning the AF and GCF operations to promote coherence and resource mobilization under UNFCCC/PA umbrella



European Capacity Building Initiative ECHI

Thank You!

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"Potential linkages between the AF and the GCF"

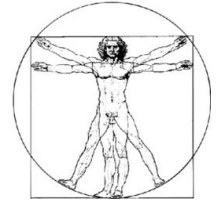
14 MARCH 2017

David Eckstein

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for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques



- need to develop appropriate climate finance architecture to serve the Paris Agreement
 - For AF, COP22 in Marrakech has provided clarity that AF "should serve the Paris Agreement" (Decision 1/CMA.1 para 11)
 - Serving the Paris Agreement means promoting its objectives and principles, including Article 7.5
- need to keep focus on the most vulnerable, their specific conditions and adaptive capacity needs
- need to conserve the experience and the expertise that has been built by the AF regarding several innovative features

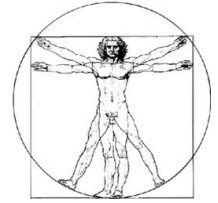
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Do we need linkages?

Context

Linkages?

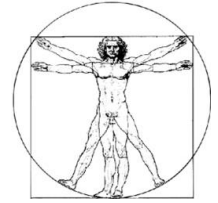
Discussion



- AF has a strong institutional focus that could help the GCF fulfil its mandate
- AF has experiences with innovative features from which the GCF can learn
- streamline strategic approach to address adaptation
- opportunity to harmonize standards

- BUT also: source of funding for the AF

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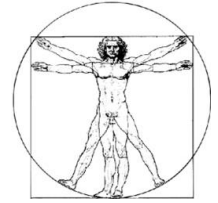
- GCF should NOT be the only funding source for the AF
 - AF is the only climate fund with specific mandate to develop innovative sources
 - AF should keep the possibility to receive additional donor contributions to specifically support the needs of the most vulnerable

Follow-up questions

Context

Linkages?

Discussion



- What are the implications for the independent decision making of the AF Board?
- What are the implications for other sources of funding - will they continue to be developed?
- How to ensure learning between the two institutions?

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