



ADAPTATION FUND

Adaptation Fund

Introduction and update

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Adaptation Fund Board secretariat

Outline of Presentation

- **Overview of the Adaptation Fund**
- Accreditation and project proposal processes
- Progress and achievements of the Adaptation Fund
- Readiness programme for direct access



The Adaptation Fund is one of several international funds in the multilateral climate finance landscape



Under UNFCCC:
Least Developed Countries Fund (LDCF)
Special Climate Change Fund (SCCF)

(operational)
2002
2004
(currently)
\$ 921.9 M
\$ 337.4 M



WORLD BANK

Outside of the UNFCCC process:
Pilot Program on Climate Resilience

2008
\$ 1.3 B



ADAPTATION FUND

Under the Kyoto Protocol of UNFCCC:
Adaptation Fund

2009
\$ 471.4 M

**Green
Climate
Fund**

Under the UNFCCC:
Green Climate Fund

2015 (?)
\$ 52.8 M



The Adaptation Fund was established under the Kyoto Protocol of the UNFCCC

- **Goal:**

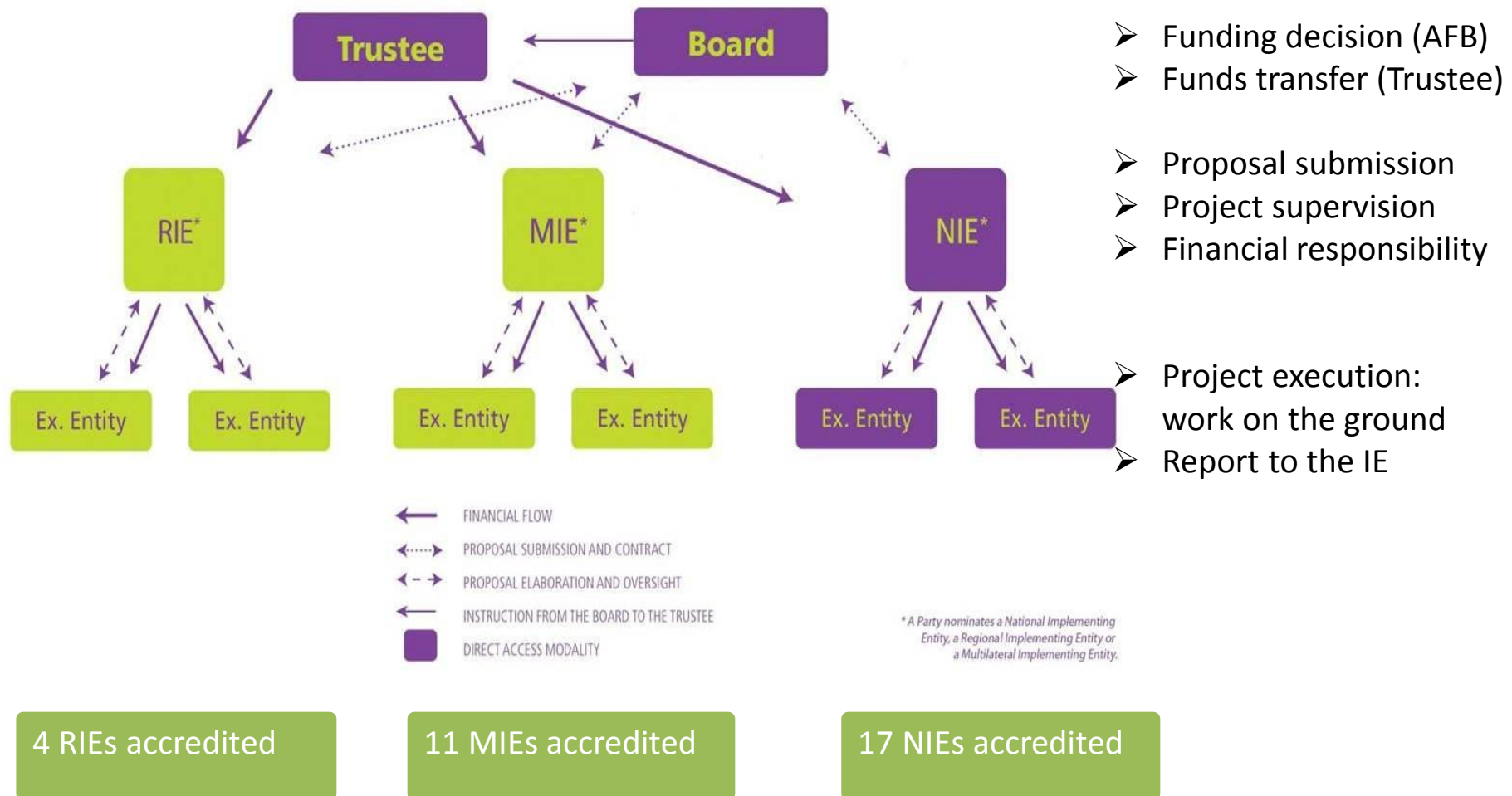
- ✓ Increase resilience through **concrete adaptation** projects & programmes
- ✓ Focus on **most vulnerable countries and communities**

- **Innovative Features:**

- ✓ Governed by **majority of developing countries**
- ✓ **Levy on** Clean Development Mechanism **proceeds** & other sources of funding
- ✓ **Direct access** alongside conventional access through international orgs



There are 3 modalities that developing countries can use to access Adaptation Fund resources



Direct Access is a groundbreaking modality that gives national entities full control over implementation

- Allows developing countries to **access adaptation finance directly** without intermediaries.
- Puts into practice principles of Paris Declaration on Aid Effectiveness :
 - **Ownership**
 - **Harmonization**
 - **Alignment**
 - **Mutual accountability**
 - **Results**
- Prepares countries for accessing other funds directly (including Green Climate Fund).



CMP set strict **fiduciary standards** that are internationally recognized:

- i. Financial integrity and management
- ii. Institutional capacity
- iii. Transparency and self-investigative powers

2013: Environmental and Social Policy



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Accreditation is an independent review undertaken by a team of experts for assessing an applicant's capabilities

Step 0: The government appoints a Designated Authority (DA). The DA must endorse the accreditation application of Implementing Entity and all IE project/programme proposals.

Step 1: Submit application:

- a. Description of how the organization meets the specific required capabilities
- b. Attachment of supporting documentation

Step 2: Accreditation Panel Reviews Application.

Step 3: Panel can request additional information/clarification from organization.

- a. Might suggest to Board that an on-site visit is required
- b. Might suggest that technical support needs to be provided to an applicant to improve its capacity in order to attain accreditation

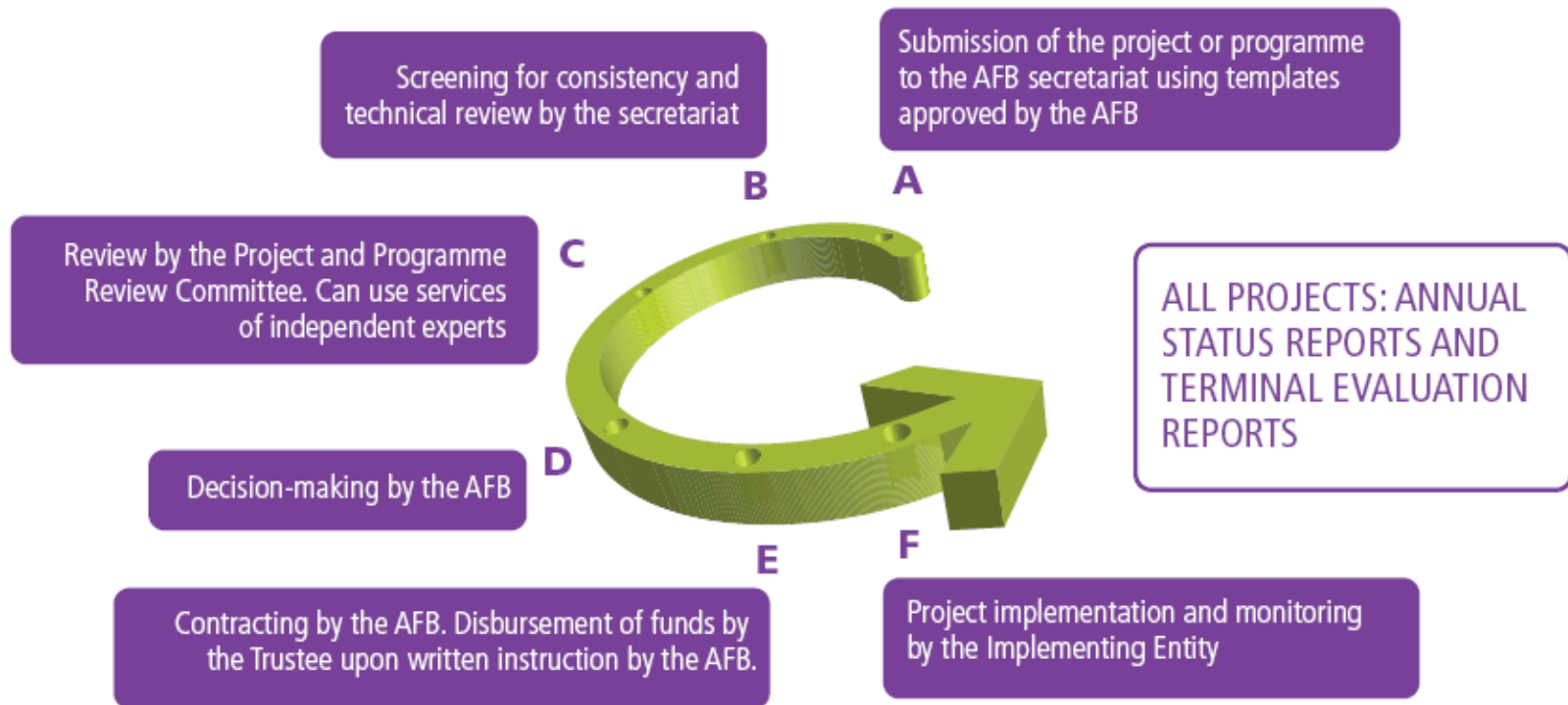
Step 4: Panel makes recommendation to AF Board.

Step 5: AF Board makes final decision on accreditation of entity



Proposals undergo review by the AFB secretariat and Project and Programme Review Committee

AFB PROJECT CYCLE



Note: All proposals are posted on www.adaptation-fund.org for public comment



Financing is provided on a ‘full adaptation cost basis’ to address the adverse effects of climate change

- AF finances projects/programmes whose principal and explicit aim is to **adapt and increase climate resilience**
- Projects/programmes have to be **concrete** with “visible and tangible impacts”
- **No co-financing** requirement
- Accommodation of different country circumstances: there are **no prescribed sectors or approaches**
- **All developing countries** that are parties to the Kyoto Protocol are eligible: cap of **US\$ 10 million per country**
- Total allocation for projects/programmes submitted by MIEs **cannot exceed 50%** of cumulative resources available in the trust fund
- All projects/programmes must include a **knowledge component**



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NIEs span different regions and types of economies



Direct access is proving that national entities can successfully implement projects/programmes

At the national level:

- Funds and projects directly managed by countries
- Elevates issues relating to climate change and adaptation to the national level
- Improves intragovernmental collaboration and amplifies stakeholder voices



At the institutional level:

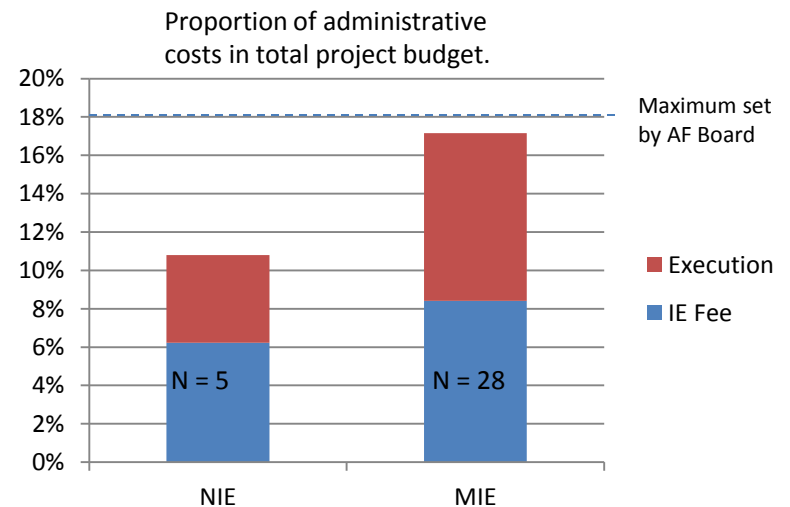
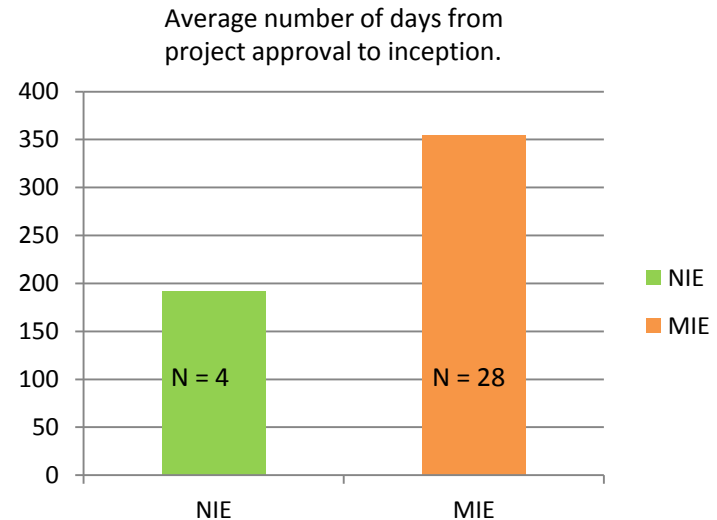
Applicants

- Improve understanding of fiduciary standards
- Identify areas to bolster financial management and accountability
- Shift from following others' rules to having their own rules
- Improve governance by instituting policies against fraud and corruption

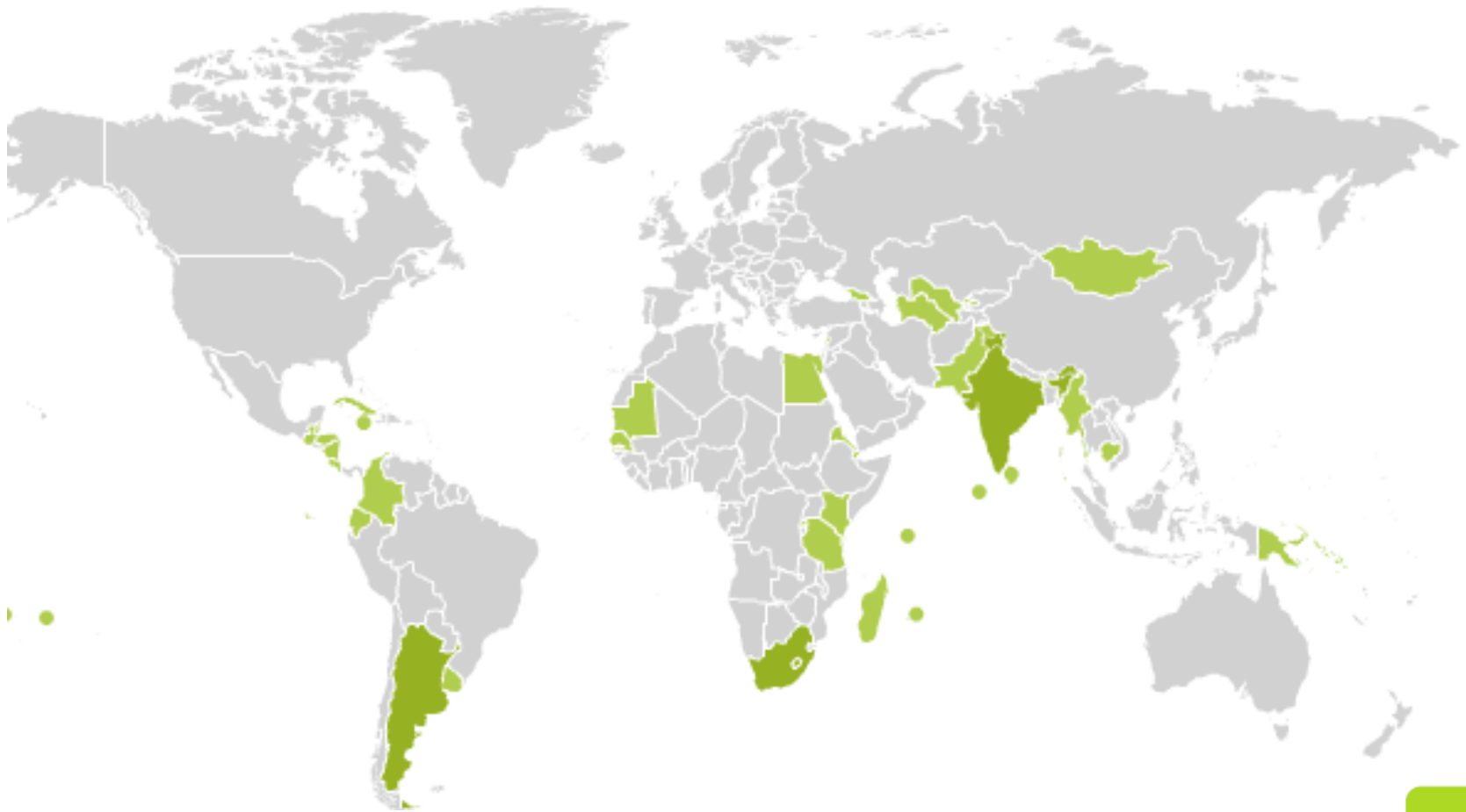


Direct access is proving that national entities can successfully implement projects/programmes

- **Once a project is approved, an NIE can make things happen quickly**
- **NIE-run projects need less money for administration**

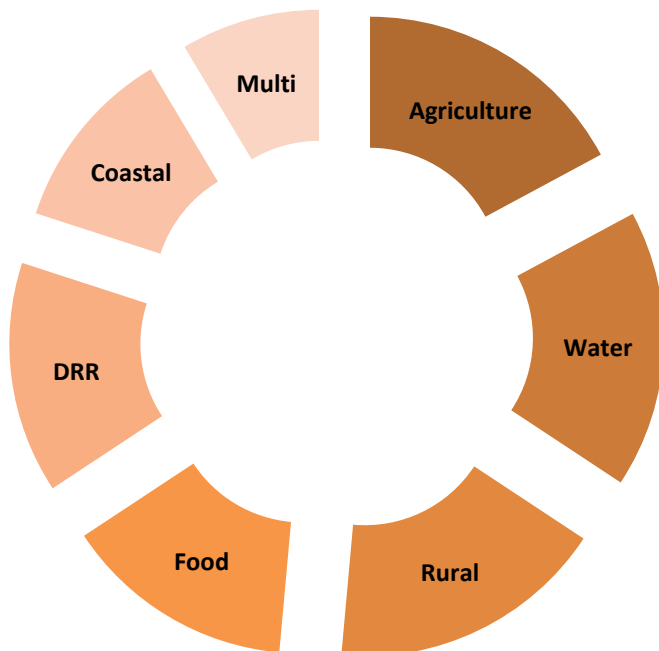


Since 2010 the Fund has approved US\$ 265 million for 41 adaptation projects in vulnerable developing countries



The project portfolio covers a diverse range of sectors that reflect the range of local needs and priorities

- The Fund **gives freedom to country governments** to decide on the priority sectors and regions



For example:

Pakistan

Disaster Risk Reduction

GLACIAL LAKE
OUTBURST
WARNING
SYSTEMS



90% OF
HOUSEHOLDS
ABLE TO RESPOND
TO EWS



Papua New Guinea

Coastal Zone Management

COMMUNITY-LED
MANGROVE
RESTORATION
PROJECTS



300 HECTARES
COASTAL
CLIMATE-
PROOFING



Madagascar

Agriculture/Food Security

RESILIENT
RICE FARMING
METHODS



8,500 HECTARES
PROTECTED
ECOSYSTEM
SERVICES



Georgia

Water Management

IMPROVED
FLOOD
MANAGEMENT



COVERS 200,000
PEOPLE IN
8,400KM²

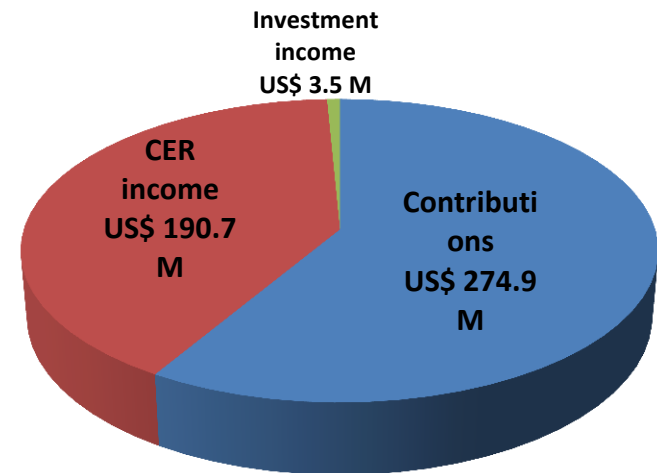
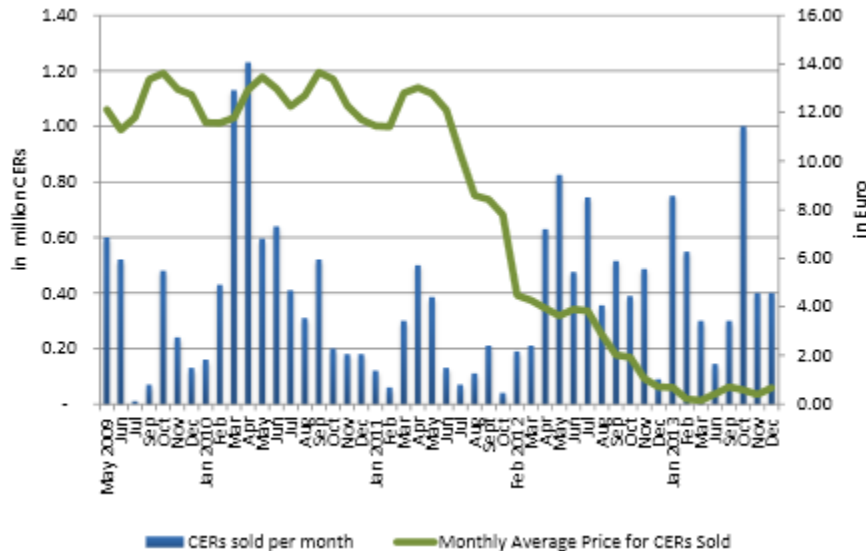


The Fund's main revenue source is CER sales but the collapse of carbon markets means new resources are urgently needed

CER prices have collapsed



Donations now main source of funds



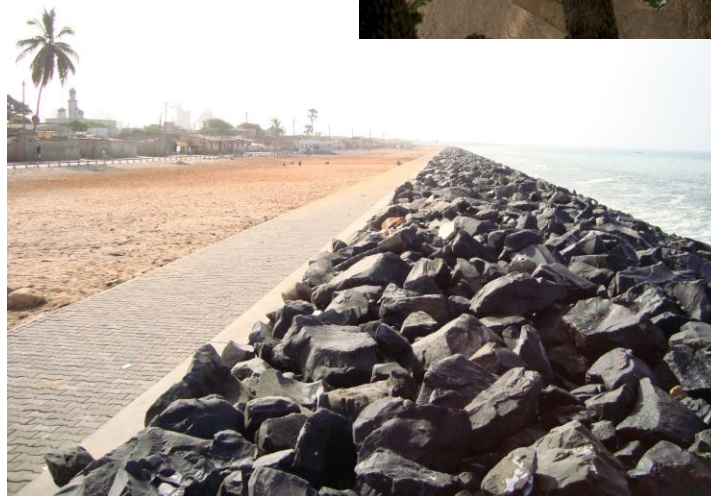
Policy: Environmental and Social Policy (November 2013) now rolled out to operations

At accreditation stage:

- In addition to overall risk management capacity: systems to assess, mitigate and manage environmental and social risk

At project proposal stage:

- Screening against 15 principles of the ESP
- Categorization of proposed project
- ESIA, ESMP
- Grievance mechanism

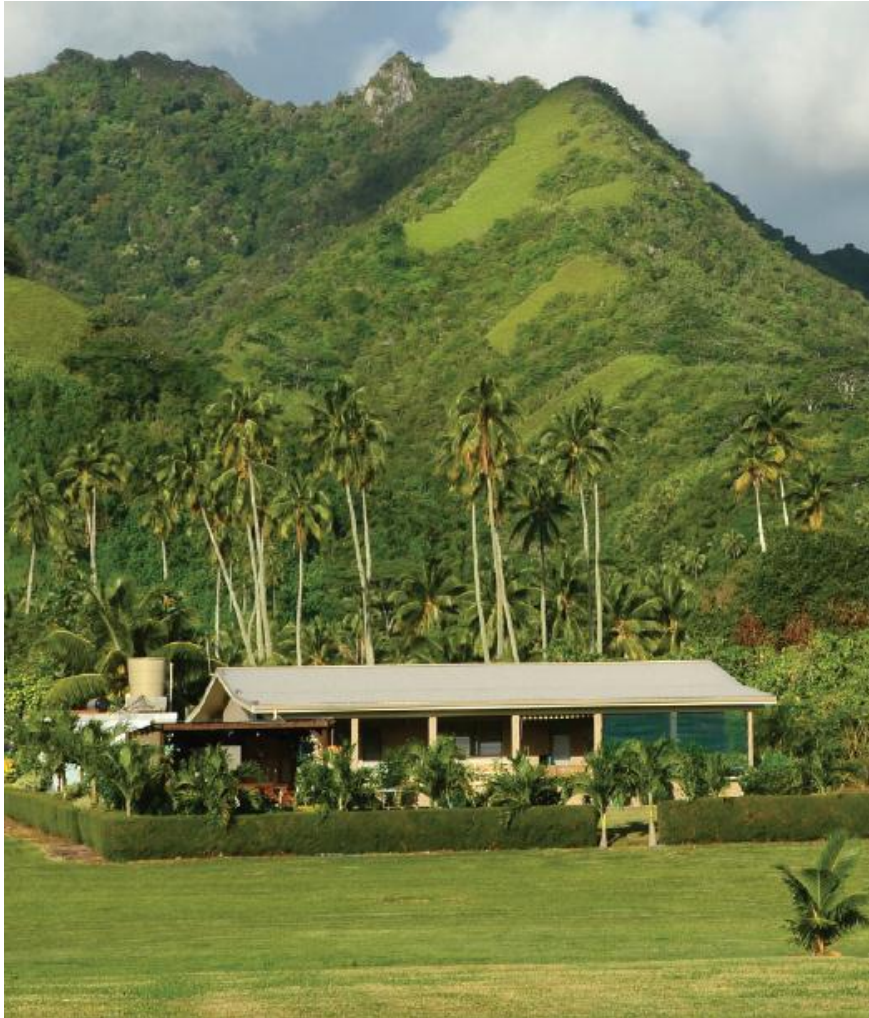


Policy: Pilot Programme for Regional Activities

- To be launched in 2015
- One or more regional projects/programmes
- Total value not to exceed USD 30 million
- Open to RIEs and MIEs, partnering with NIEs
- To be developed in consultation with contributors, MIEs, RIEs, AC, CTCN, LEG



Policy: Accreditation of small entities



- Small governments (e.g. in SIDS and LDCs) may not have suitable NIE candidates that are able to access up to USD 10 million
- AFB mandated Accreditation Panel to contemplate “fit for purpose” criteria for small entities accreditation
- AFB to discuss in April 2015



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- **Readiness programme for direct access**



Lesson: Support for direct access readiness is needed

- AF launched a readiness programme in May 2014 to complement other initiatives
- Common challenges:
 - Selection of an appropriate entity for accreditation (due diligence when reviewing existing institutional capacity)
 - Understanding of and competence in fiduciary standards
 - Human resource constraints
 - Sometimes experience limited to handling smaller projects
- Those building countries' readiness should be up-to-date
- South-South cooperation should be encouraged



Phase I: Readiness Programme Activities

Convening actors working on direct access (accreditation, project development, capacity building)

Designing improved materials on AF processes



Developing a knowledge exchange platform

Small grants:

- South-south cooperation
- Environmental and Social technical assistance

Readiness workshops

15-17 July 2014
Readiness Seminar # 2,
Washington, DC

A seminar for all accredited IE: training and exchange of experiences on project proposal preparation and environmental and social risk management.

1-2 May 2014 Launching workshop, Washington, DC

Improved cooperation with multilateral and bilateral organizations currently providing accreditation support to national or regional institutions

10-12 September 2014
Readiness Seminar # 3,
Bangkok

jointly hosted by UNEP and the Fund targeted at potential NIEs in Asia and the Pacific.

1-4 July 2014
First Africa NIEs Workshop, Nairobi
implemented in partnership with the National Environment Authority of Kenya, Heinrich Boell Foundation and CDKN

16-19 September 2014
SPREP Adaptation Fund Training Workshop, Apia, Samoa

National Implementing Entities



United Nations
Framework Convention on
Climate Change



THE WORLD BANK

Working for a World
Free of Poverty



Bilateral, Multilateral Organizations

Global Funds



ADAPTATION FUND
Readiness Programme
for Climate Finance



WORLD
RESOURCES
INSTITUTE



CONSERVATION
INTERNATIONAL









HEINRICH
BÖLL
STIFTUNG

Adaptation Fund NIE Network



“Climate Finance Ready” platform







ADAPTATION FUND

CDKN
Climate & Development
Knowledge Network

CLIMATE FINANCE READY

Knowledge Exchange for Climate Finance Readiness


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Adaptation Fund & CDKN Launch 'Climate Finance Ready'

New partnership and website for knowledge exchange
and resource sharing


Case Studies



CASE STUDY: A Community of Practice for current and aspiring National Implementing Entities (NIEs)




CASE STUDY: Latin American countries seek practical options for climate finance




CASE STUDY: Direct access to the Adaptation Fund – lessons from accrediting NIEs in Jamaica and Senegal


Recent Research



REPORT: Status of climate finance at COP20, Lima




REPORT: Reconfiguring urban adaptation finance




REPORT: Climate change vulnerability and adaptation preparedness in southern Africa – Zimbabwe country report


Latest News



NEWS: Adaptation Fund & CDKN launch 'Climate Finance Ready'



NEWS: 'Zero poverty, zero emissions' event in Lima, Peru to target climate finance readiness



NEWS: Adaptation Fund & UNEP kick off Direct Access Climate Finance Readiness seminar in Bangkok

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South-South Cooperation Grants Programme

- Countries without an NIE may apply for a grant to receive support from an existing NIE
- Support in one or more of the following:
 - identifying potential NIE candidates;
 - assisting NIE candidates in the preparation of applications to be submitted to the Fund;
 - providing support and advice during the application process.
- Countries to be supported during this first phase:
 - Cabo Verde, Chad, Niger



Thank you!



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adaptationfund



@adaptationfund



Senegal: Adaptation to Coastal Erosion in Vulnerable Areas



- USD 8,619,000 over 3.5 years. Implemented by Centre de Suivi Ecologique.
- Goals:
 - combat coastal erosion: 730 m seawall, 1.4 km underwater berms
 - protect livelihoods of fishermen, fish processors, rice farmers, and tourism merchants
 - improve understanding among residents about climate change and adaptation
 - build adaptive capacity of all residents
 - spur private sector investment in tourism, fishing and agriculture



Cambodia: Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia



- **USD 4,954,273 over 5 years. Implemented by UNEP.**
- **Goal: increase food supply and reduce soil erosion in communities surrounding five Community Protected Areas in Cambodia**
- **Restoring at least 1,875 ha of degraded forests**
- **Enrichment planting of rice paddy boundaries and other cultivated areas with multi-use tree species that will enhance crop productivity**
- **Trialing drought-tolerant hybrid rice cultivars**
- **Intensifying and diversifying the productivity of 1,900 small holder farms**



Pakistan: Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan



- USD 3,906,000 over 4 years. Implemented by UNDP.
- Goal: Reduce risks and vulnerabilities from GLOFs and snow-melt flash floods in Northern Pakistan by developing human and technical capacity of public institutions and enabling local communities to understand and respond to GLOF risks
- Design and install early warning system, communication networks and response desks
- Determining the most appropriate GLOF risk reduction measures at two target sites, constructing with the help of community members



Seychelles: Ecosystem Based Adaptation to Climate Change in Seychelles

- **USD 6,455,750 over 6 years. Implemented by UNDP.**
- **Objective: incorporate ecosystem based adaptation into the climate change risk management system of Seychelles to safeguard water supplies, threatened by climate change induced perturbations in rainfall and to buffer expected enhanced erosion and coastal flooding risks arising as a result of higher sea levels and increased storm surge.**
- **Maintain and enhance upland wetlands in watersheds and strengthen the integrity of the forest landscape over 3,000 ha**
- **Maintain and enhance tidal wetlands, beach berms and coral reef functions with EbA measures over 1,000 ha**
- **Develop the policy framework for watershed management which is needed to support EbA measures**



Technical assistance to comply with the E&S Policy

Procedures,
manual(s)
and
guidelines for
**screening
projects for
E&S risks**

Procedures,
manual(s)
and
guidelines for
**undertaking
project E&S
risk
assessment
and for
formulating
risk
management
plans**

**Policy or
avenues for
public
disclosure
and
consultation**

Transparent
and effective
**mechanisms
for receiving
and resolving
complaints**
about E&S
harms caused
by projects
and programs

**Training of
select entity
staff to carry
out the tasks**

Readiness activities scheduled in 2015

AF-CDKN “Climate Finance Ready” Platform

- Aims to play a major role in disseminating knowledge and tools to enable access to adaptation finance

Readiness Seminar in Namibia for Southern Africa

- Regional accreditation workshop to be jointly hosted with Heinrich Boell Foundation.

Readiness Seminar in West Africa

Regional accreditation workshop implemented in partnership with ECOWAS

Technical assistance grants

- Targeted technical assistance to selected accredited entities, where such need is identified, to improve capacity to comply with the Fund’s environmental and social policy.

Readiness Seminar in Panama for LAC

- Regional accreditation workshop implemented in partnership with CAF

NIE
Workshop #2
in
Washington
DC ?