Enhancing Access to Climate Finance through the Adaptation Fund

Side event - Present and Future of GEF Support to UNCCD: From GEF-7 to GEF-8

Wednesday, 11 May 2022
Adaptation Fund at a Glance

Only global UN fund created to fund **concrete adaptation projects**, in most climate-vulnerable developing countries

One of 1st fully functioning climate funds, operating since ‘07; **pioneered innovative ‘Direct Access’ climate finance modality**

As urgency of climate change has risen, it has grown rapidly to almost **$1B funding today**
**Tangible results**

**IMPACT 1:**
Reduction in vulnerability of communities and increased adaptive capacity of communities to respond to the impacts of climate change

$ \Rightarrow \text{10.04 million DIRECT BENEFICIARIES} \\
21.17 million INDIRECT BENEFICIARIES

Number of direct beneficiaries is a conservative estimate, as it is not consistently reported (i.e. some projects report as no. of households)

414 EARLY WARNING SYSTEMS
Includes projects targeting several small scale EWS at the local level as well as those targeting one large regional system

**IMPACT 2:**
Strengthened policies that integrate climate resilience strategies into local and national plans

98 POLICIES INTRODUCED OR ADJUSTED TO ADDRESS CLIMATE CHANGE RISKS
Includes any policy whether at the local, regional or national level

**IMPACT 3:**
Increased ecosystem resilience in response to climate change induced stresses

380,242 ha HA OF NATURAL HABITATS CREATED, PROTECTED OR REHABILITATED RESTORED

161,175 m M OF COASTLINE PROTECTED
The Adaptation Fund’s Pillars
Based on the Medium Term Strategy 2018-2022

**ACTION**
- Support eligible countries to undertake high quality adaptation projects and programmes consistent with their priority needs, goals and strategies.

**INNOVATION**
- Support the development and diffusion of innovative adaptation practices, tools, and technologies for effective, long-term adaptation to climate change accelerated, encouraged and enabled.

**LEARNING AND SHARING**
- Practical knowledge about effective adaptation activities and financing modalities generated and communicated to actors around the world.
AF investments per region

Multi regional under AFCIA
US$ 10 M

Latin America and Caribbean
$215.9 M

Eastern Europe
$29.8 M

Asia-Pacific
$240.97 M

Africa
$366.3 M
AF diversified portfolio with about 1/2 supporting LD related issues

- Food Security: 14%
- Disaster Risk Reduction: 18%
- Agriculture: 14%
- Water Resources Management: 14%
- Urban Development: 5%
- Multisector: 11%
- Rural Development: 12%
- Forests: 1%
- Coastal Management: 7%
- Ecosystem-based Adaptation: 4%
Thematic areas

• Disaster Risk Reduction
• Nature-based solutions
• Coastal management
• Agriculture
• Water resources Management

• Forests and Land Use
• Rural development
• Food Security
• Social innovation
• Urban adaptation

• Advancement of gender equality
• Enhancement of cultural heritage
• Focus on communities
• Inclusion of youth
• Innovative adaptation financing
<table>
<thead>
<tr>
<th>Action</th>
<th>Innovation</th>
<th>Learning &amp; Sharing</th>
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<tbody>
<tr>
<td>Single country projects ($ 20 M per country) (NIE, RIE, MIE) + PFG (NIE only)</td>
<td>Small grants (&lt;US$250 k) to foster innovation practices in CCA (NIE)</td>
<td>Learning grants (&lt;US$150 K) to share best practices and lessons learned (NIE)</td>
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<td>Regional projects (2 + countries) $ 14 M (RIE, MIE) + PFG</td>
<td>Small grants (&lt;$ 250k) in innovation for non accredited entities - AFCIA</td>
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<td>Enhanced Direct Access (EDA): US$ 5 M per country (NIE)</td>
<td>Large grants (&lt;US$5 M) to roll out innovative adaptation practices in CCA. Single country (NIE, RIE, MIE) or regional (RIE, MIE)</td>
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<td>Project scale-up grants: &lt; US$100 k per project (NIE)</td>
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What to keep in mind - General

Concrete activities: visible and tangible impacts

No prescribed sectors or approaches: country-driven process that accommodates countries’ circumstances and adaptation reasoning

No co-financing requirements

Total allocation for projects/programmes submitted by MIEs cannot exceed 50% of cumulative resources available in the trust fund

Country cap recently raised to from USD 10 to USD 20 million under certain conditions
Complementarity and coherence with other climate Funds incl. GEF and LDCF

**Strategic engagement at Fund’s secretariat and Board levels**

- AF/GCF/GEF/CIF complementarity and coherence framework
- Continuous engagement amongst Funds on operational matters including portfolio issues

**AF/GEF secretariat collaboration on portfolio development matters**

- GEF staff cross-support for AF portfolio quality at entry - GEF staff co-review of AF projects helps addressing complementarity and coherence
- AF presentation at GEF events incl. ECW and others
- Potential areas for joint collaboration identified at project design and co-financing

**AF/GCF collaboration to enhance climate finance access**

- AF and GCF fast-track accreditation and Re-accreditation
- Joint support to Community of practice of Direct Access entities (CPDAE)
- Pilot of Scaling-Up Approach between the AF and the GCF
Thank you!

Mahamat Assouyouti

massouyouti@adaptation-fund.org

www.adaptation-fund.org