GEF Introduction Seminar 2020

28 January 2020
Washington DC
<table>
<thead>
<tr>
<th>Fund</th>
<th>(Operational Since)</th>
<th>(Currently)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Under UNFCCC:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Least Developed Countries Fund (LDCF)</td>
<td>2002</td>
<td>$1,401 M (11/2019)</td>
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<tr>
<td>Special Climate Change Fund (SCCF)</td>
<td>2004</td>
<td>$355 M (11/2019)</td>
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<td><strong>Outside of the UNFCCC process:</strong></td>
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<td>Pilot Program on Climate Resilience</td>
<td>2008</td>
<td>$960.43 (11/2018)</td>
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<td><strong>Under UNFCCC’s Kyoto Protocol and Paris Agreement:</strong></td>
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<td>Adaptation Fund</td>
<td>2009</td>
<td>$720 M (12/2019)</td>
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<td><strong>Under the UNFCCC:</strong></td>
<td></td>
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<td>Green Climate Fund</td>
<td>2015</td>
<td>$5,600 M (11/2019) – 24% CCA</td>
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The Adaptation Fund is one of several funds (adaptation) in the multilateral climate finance landscape.
AF established under the Kyoto Protocol of the UNFCCC

Setup under Kyoto Protocol and serves the Paris Agreement since January 1\textsuperscript{st} 2019

Goal

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

Innovative Features

- Governed by **majority of developing countries** (22 out of 32 board members)
- Levy on Clean Development Mechanism proceeds & other sources of funding
- Direct access alongside access through international organizations

- 6 RIEs accredited
- 11 MIEs accredited
- 28 NIEs + 1 accredited
The Adaptation Fund is housed within the GEF

• **The Board:** consists of representatives of UN constituencies
  • Has legal capacity in Germany
  • Meets in Germany (Bonn) or back-to-back with UNFCCC COP

• **Secretariat:** GEF on an interim basis
  • Functionally independent secretariat: Team of ca. 15 dedicated full-time staff
  • Recent decision by CMP 15 to reaffirm MOU, approval by GEF Council in December 2019

• **Trustee:** the World Bank on an interim basis
  • open-ended arrangement since CMP 15 (2019)
Mandate of the Adaptation Fund

“The Adaptation Fund shall finance concrete adaptation projects and programs” (UNFCCC Marrakech Accords)

“A concrete adaptation project/programme is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. The activities shall aim at producing visible and tangible results on the ground by reducing vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change, including climate variability. “
Medium-term Strategy (2018-2022)

Three pillars dedicated to:

- **“Action”**
  - Objective: Support the design & implementation of high-quality projects
  - Outputs: High-quality capacity developed in vulnerable countries; pipeline of scalable projects; and reduced vulnerability

- **“Innovation”**
  - Objective: Champion innovative approaches to adaptation (by others)
  - Outputs: Innovative projects replicated in new countries; innovative practices, products & tech scaled-up

- **“Learning and sharing”**
  - Objective: Generate knowledge & communicate practical lessons from operational processes, projects & innovation portfolio
  - Outputs: Practical lessons from projects; specific knowledge on impact themes; stronger capacity for adaptation-related learning in client countries
The Adaptation Fund is delivering impacts on the ground

- **100 concrete adaptation projects** for total **US$720 Million**
- **49 Implementing entities** incl. **31 NIEs**
- **98 countries** incl. **18 SIDS and 30 LDCs**
- **Pioneer of the direct access modality**
- **8.7 million direct** and **19 million indirect beneficiaries**
- Serves the Paris Agreement since **Jan 1 2019**
- **US$248 Million of active pipeline** (Nov 2019)
- **US$106.8 Million available for new projects**

Figures as of September 30 2019
The Adaptation Fund project cycle

1. Project identification
2. Submission of the Project or Programme proposal
3. Technical review by the AFB Secretariat
4. Review by the Project and Programme Review Committee (PPRC)
5. Decision-making by the AFB
6. Contracting by the AFB
7. Project implementation
8. Monitoring /Reporting by the Implementing Entity

Project design by IE/DA and technical review by the AFB secretariat

- Concreteness and appropriateness of activities
- Socio-economic and environment benefits
- Consistency with national strategies and national technical standards
- Cost-Effectiveness & sustainability
- Identification and management of risks covered by the ESP
- Stakeholder Consultation
- Duplication with other funding sources
- Implementation arrangements
- Compliance with ESP (15 principles) and Gender policy
A diversified portfolio with strong focus on LDCs and SIDS

- 100 countries of which 32 LDCs and 20 SIDs have accessed resources from AF
- 46% of NIEs in LDCs/SIDS
- A total US$134 Million approved for 19 single country projects in LDCs – 20% portfolio
- A record US$188 million approved FY2019 alone
- About US$90M pledged at COP25
- No co-financing requirements

Figures as of September 30, 2019

100 projects
grant US$ 720

27 projects
grant US$ 215 M

6 projects
grant US$ 29 M

33 projects
grant US$ 177 M

LATIN AMERICA & CARIBBEAN

AFRICA

ASIA & ASIA-PACIFIC

EASTERN EUROPE
A diversified portfolio across 9 project sectors

Adaptation Fund Investments by Sector (US$)

- Forests: $5,062,093
- Urban Development: $15,600,472
- Ecosystem-Based Adaptation: $16,462,432
- Coastal Management: $58,304,627
- Rural Development: $67,440,768
- Multi-sector Projects: $72,806,808
- Disaster Risk Reduction: $75,085,034
- Food Security: $78,275,951
- Agriculture: $82,036,171
- Water Management: $89,617,332

Figures as of September 30 2019
Engaging and empowering the most vulnerable communities

**Readiness support for direct access entities**
- Launched in May 2014 – by June 2019, approval of 36 readiness projects totaling US$ 1,221,947
- South-South Cooperation Grants; Project Formulation Assistance Grants; Technical Assistance Grants

**Streamlined accreditation process**
- Since April 2015: Fit-for-purpose for smaller entities

**Enhanced direct access**
- Pioneering the use of devolved control over project approval processes to national institutions, enables local actors to define and implement appropriate activities via small grants
- Approved projects that employ, wholly or partly, EDA approach

**Environmental and Social Policy (2013) & Gender Policy (2016)**
- Accreditation stage: Systems to assess, mitigate and manage environmental and social risk and the commitment to gender equality
- Project proposal stage: Screening against 15 environmental and social principles, gender assessment, ESIA & ESMP
New Funding Windows under the Medium-term Strategy

**Action**
- Window for “enhanced direct access”: US$20 M per year (>10 grants)
- Scale-up microgrants: US$200,000 per year (10 grants). First grant approved in October 2019

**Innovation**
- Large grants (<US$5 M) for rolling out, scaling up innovation: US$90 M over 5 years (>18 grants)
- Micro-grants (<US$250 k) for encouraging new innovation, creating evidence base: US$16 M over 5 years (>64 grants). First grants approved in October 2019

**Learning and sharing**
- South-South learning microgrants (<US$150 K) for sharing practices, lessons (ca. 15 grants)
Knowledge Management Products: E-Learning Course on Direct Access: Unlocking Adaptation Funding

- E-course provides an overview of the Adaptation Fund accreditation process, project cycle & Environmental, Social and Gender considerations in project design and implementation

- By Adaptation Fund Board Secretariat and the Open Learning Campus (OLC) of the World Bank Group: https://olc.worldbank.org/content/direct-access-unlocking-adaptation-funding-self-paced

- Targeted to help recipient countries and stakeholders to design and implement sustainable projects