



ADAPTATION FUND

GEF Introduction Seminar 2020

28 January 2020
Washington DC



The Adaptation Fund is one of several funds (adaptation) in the multilateral climate finance landscape



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

(operational since)	(currently)
2002	\$ 1,401 M (11/2019)
2004	\$ 355 M (11/2019)



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Outside of the UNFCCC process:
Pilot Program on Climate Resilience

2008	\$ 960.43 (11/2018)
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ADAPTATION FUND

*Under UNFCCC's Kyoto Protocol
and Paris Agreement:*
Adaptation Fund

2009	\$ 720 M (12/2019)
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**GREEN
CLIMATE
FUND**

Under the UNFCCC:
Green Climate Fund

2015	\$ 5,600 M (11/2019) – 24% CCA
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AF established under the Kyoto Protocol of the UNFCCC

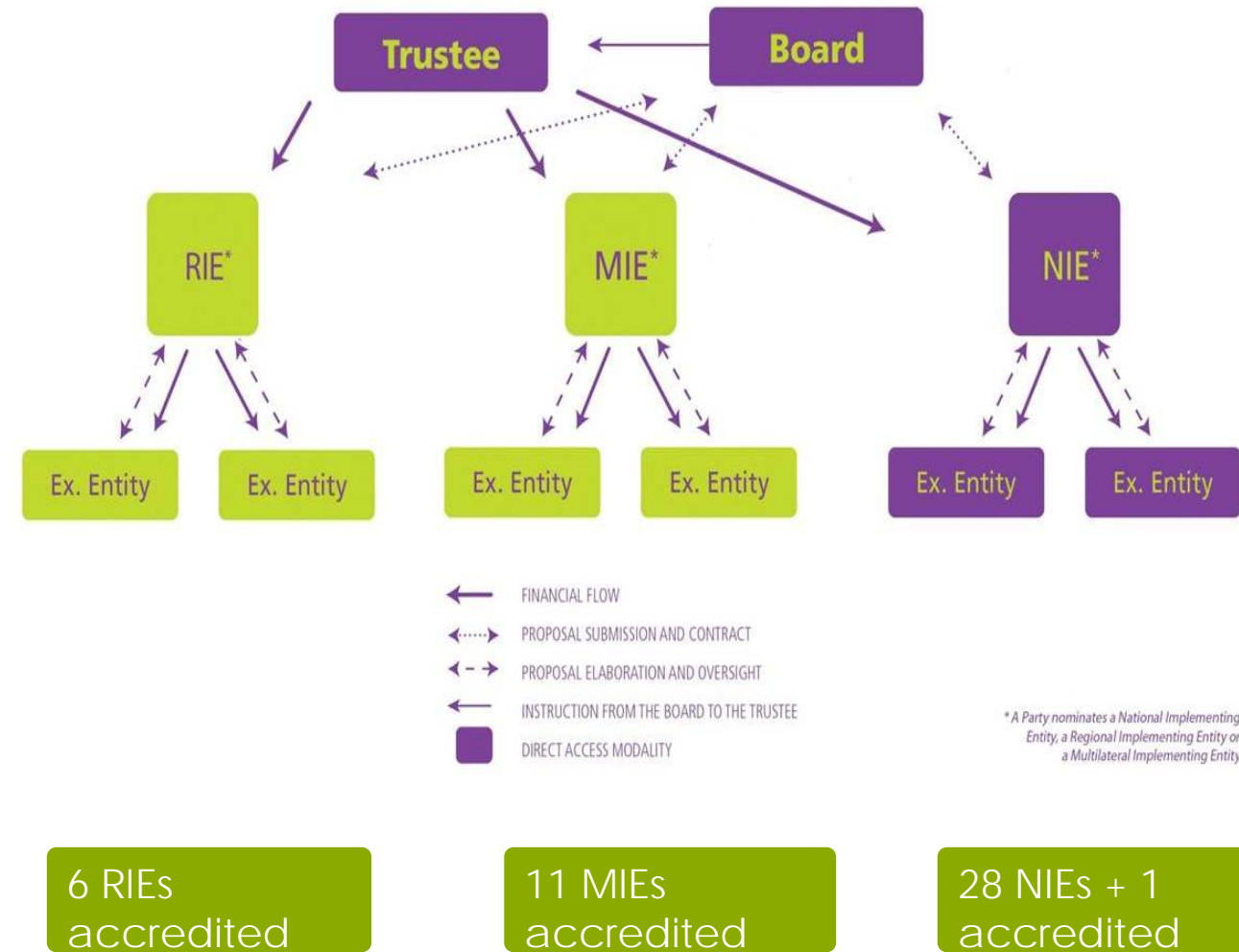
Setup under Kyoto Protocol and **serves the Paris Agreement since January 1st 2019**

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



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)

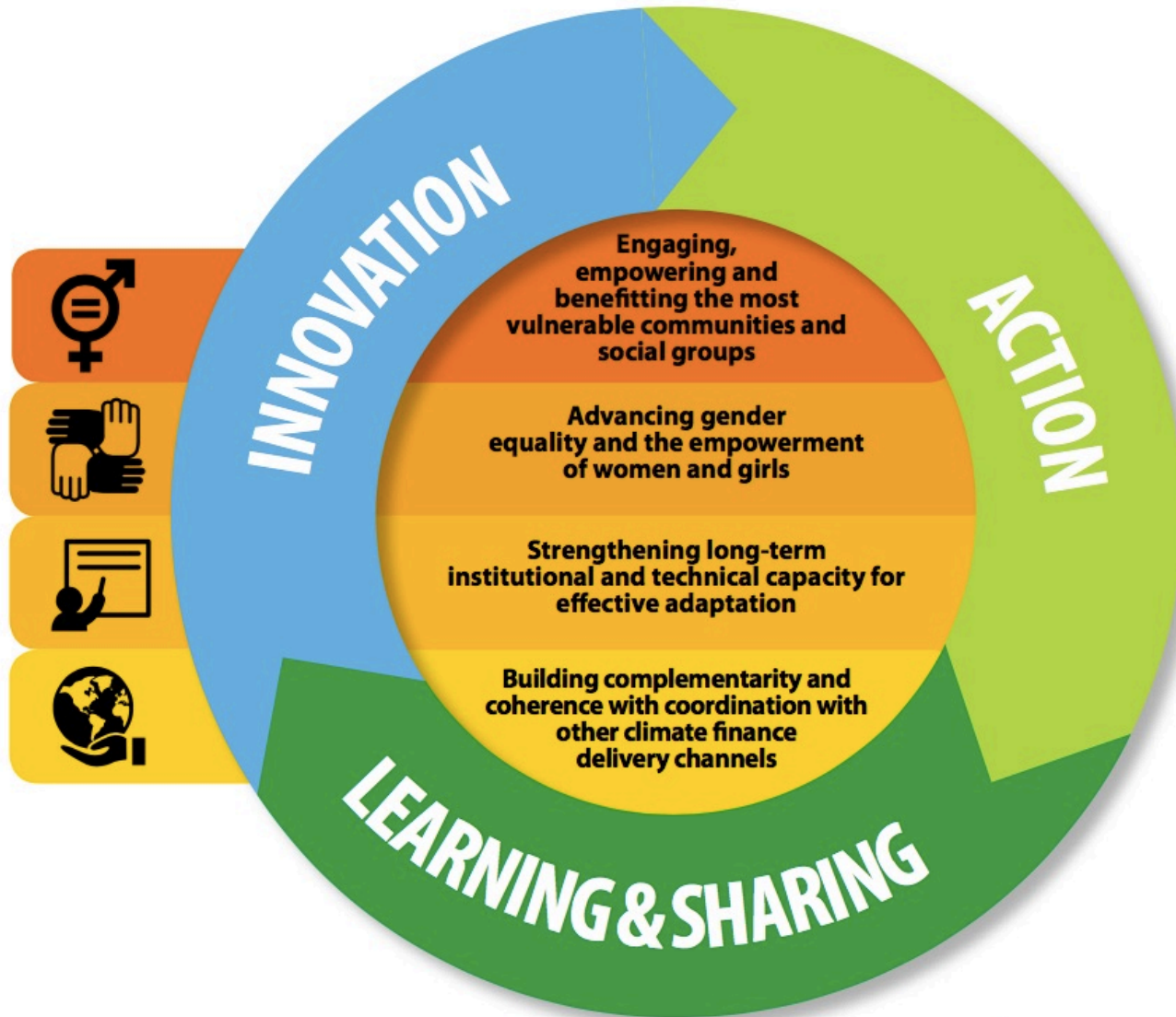
Mandate of the Adaptation Fund

“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**

**8.7 million direct
and 19 million
indirect
beneficiaries**

**49 Implementing
entities incl. 31
NIEs**

**98 countries incl.
18 SIDS and 30
LDCs**

**Pioneer of the
direct access
modality**

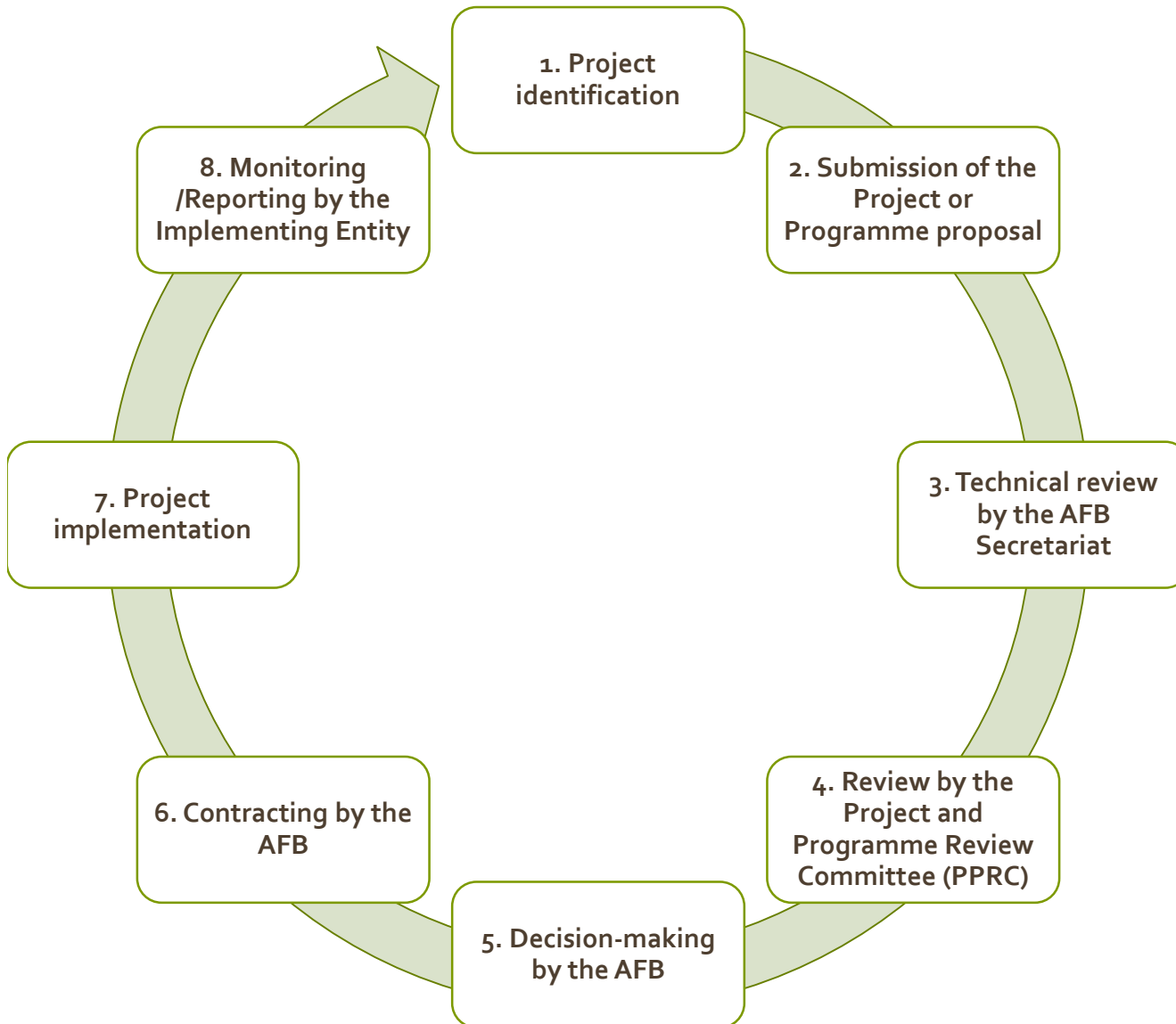
**Serves the Paris
Agreement since
Jan 1 2019**

**US\$248 Million of
active pipeline
(Nov 2019)**

**US\$106.8 Million
available for new
projects**



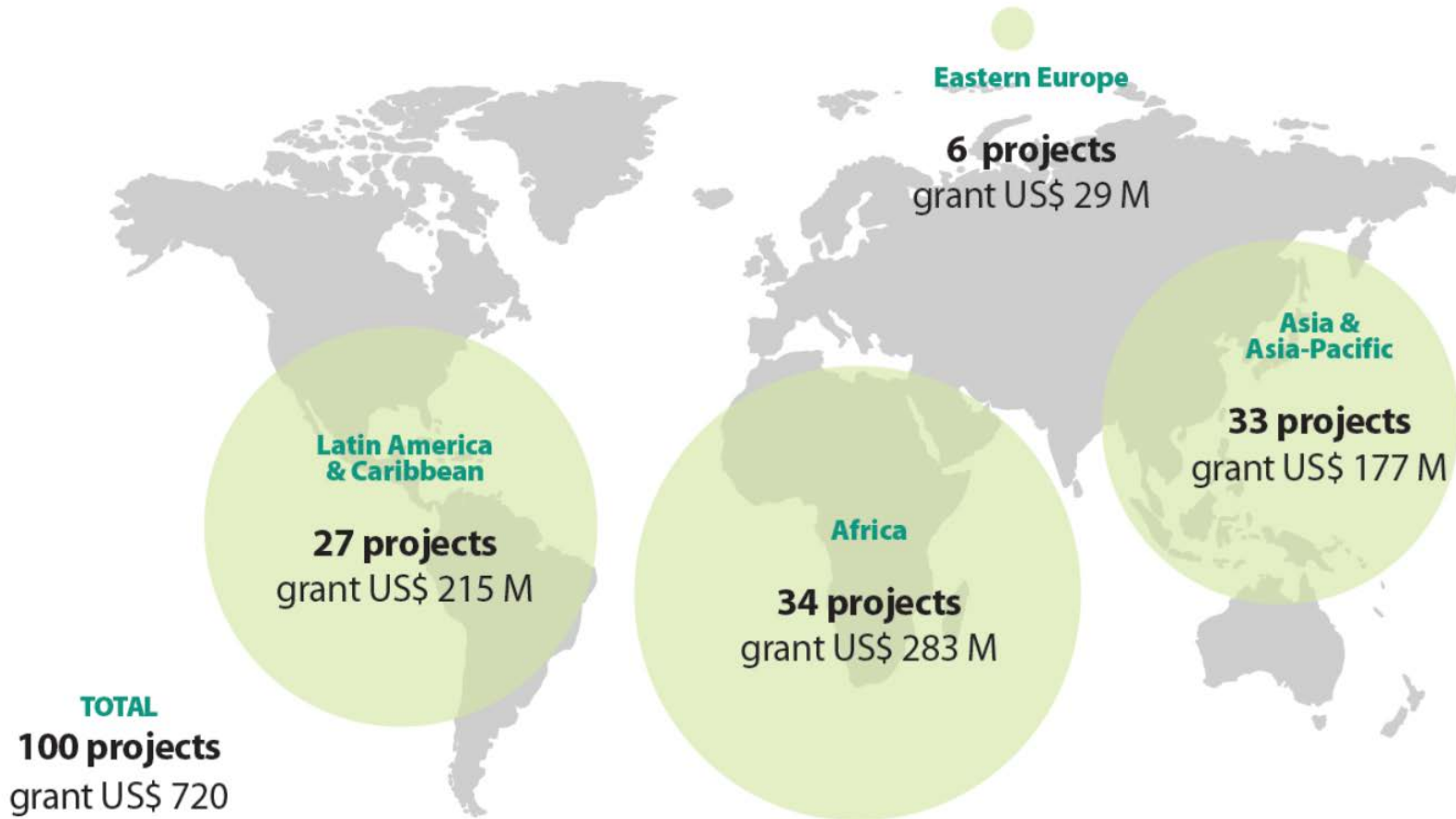
The Adaptation Fund project cycle



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

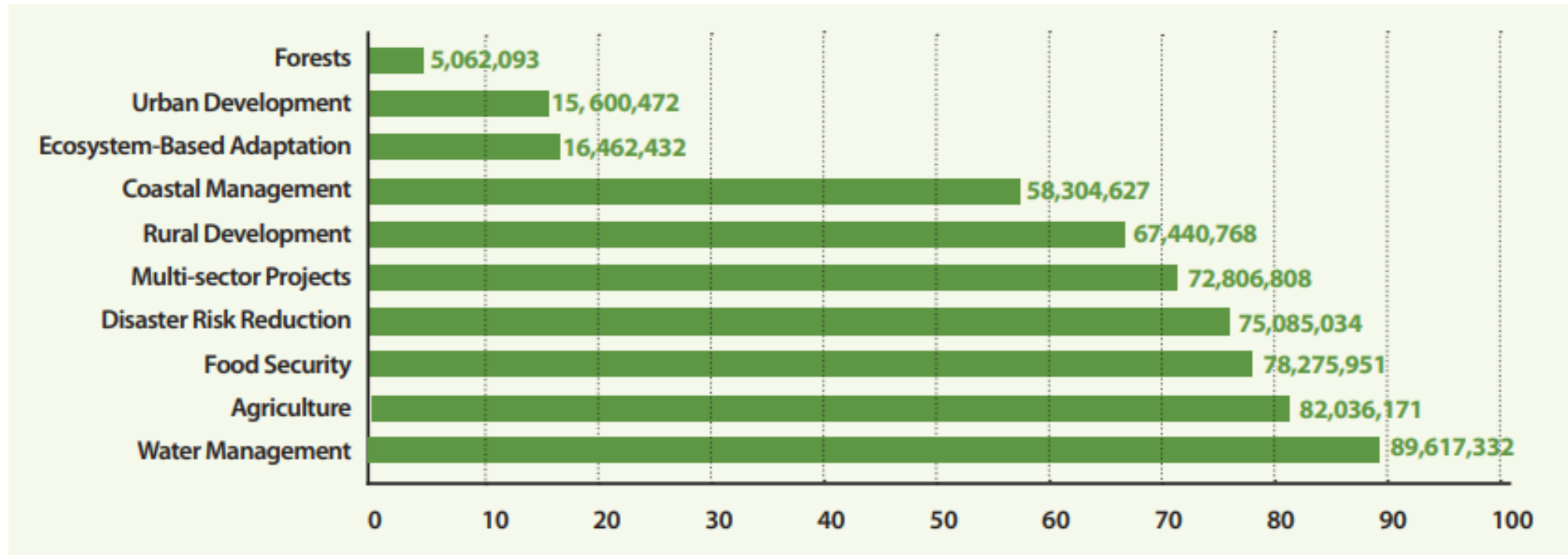


Figures as of September 30 2019

- ❑ 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

A diversified portfolio across 9 project sectors

Adaptation Fund Investments by Sector (US\$)



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

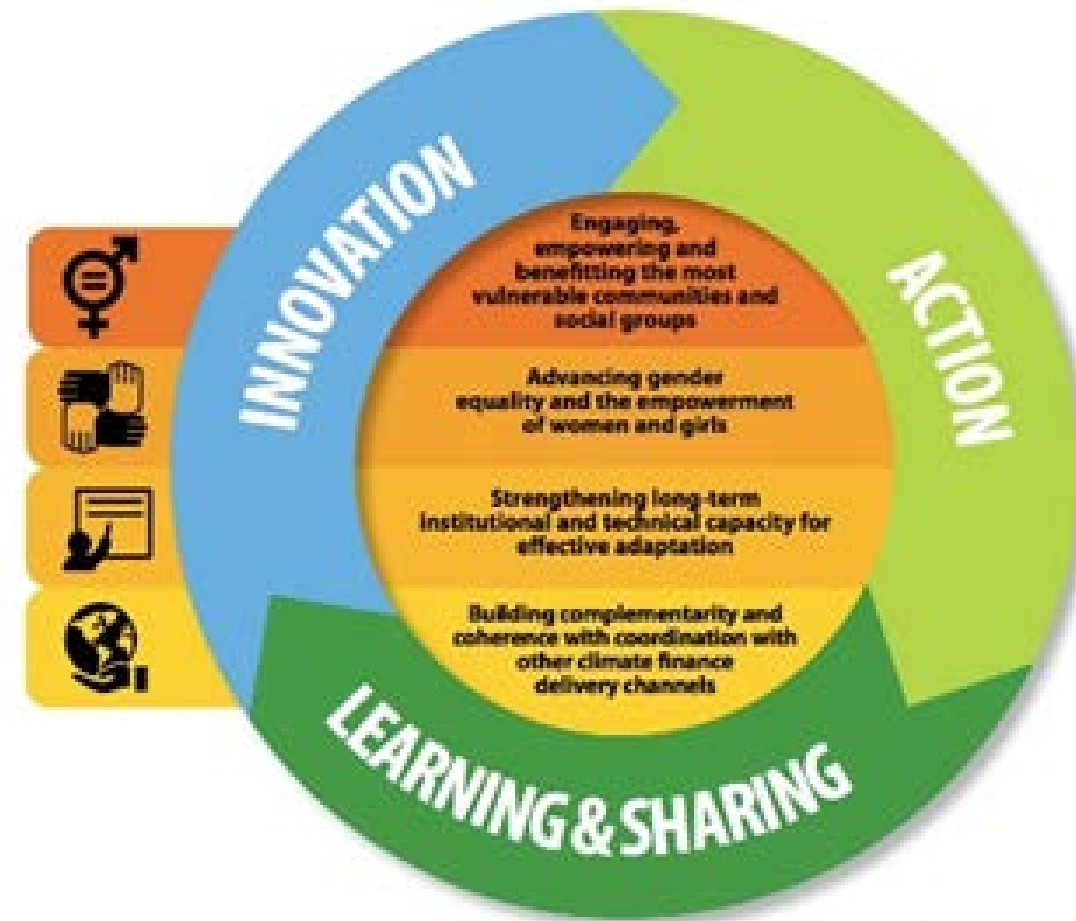
- ❑ Window for “enhanced direct access”: US\$20 M per year (>10 grants)
- ❑ Scale-up microgrants: US\$200,000 per year (10 grants). First grant approved in October 2019

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

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Direct Access: Unlocking Adaptation Funding (Self-Paced)

★★★★★ (0) | 6 Discussions

ENROLL NOW !

The "Direct Access: Unlock Adaptation Funding" e-learning course is an important tool for capacity building at national and subnational level as it tackles the specific challenges and opportunities associated with the Direct Access Modality and, in particular, the capacity gaps in financial management and fiduciary standards, environmental, social and gender standards and its mitigation factors.

- 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

Thank you!



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