



ADAPTATION FUND

ASIA NEEDS-BASED FINANCE (NBF) INVESTMENT FORUM

Funding opportunities, project support services, and strategic alignment with regional priorities

Presenters: Young Hee Lee & Justice Musah, Adaptation Fund

Medium-Term Strategy (2023-2027)

Theory of change

Finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing countries that particularly vulnerable to the adverse impacts of climate change.

GOAL

Protect **people, livelihoods** and **ecosystems** through climate-resilient development

VISION

Enhance **adaptive capacity**, strengthen **resilience** and **reduce vulnerability** to climate change

MISSION

Accelerate **effective adaptation actions** and **efficient access** to finance for the most vulnerable communities in developing countries

STRATEGIC PILLARS

ACTION

INNOVATION

LEARNING & SHARING

All of the Fund's activities and processes are designed to:

CROSSCUTTING THEMES



Promote **locally led** adaptation



Enhance **access to climate finance** and long-term institutional **capacity**



Empower and benefit the most vulnerable people and communities as **agents of change**



Advance **gender equality**



Enable the **scaling** and **replication** of results



Strengthen **complementarity, coherence and synergies** with other adaptation funders



Adaptation Fund Funding Windows

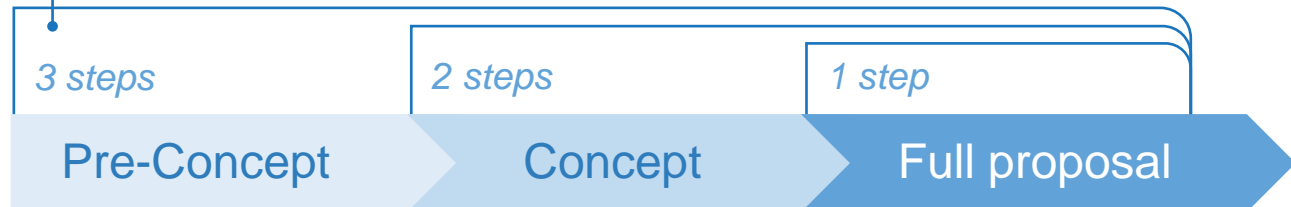
PILLAR	FUNDING WINDOW	ACCREDITED ENTITY TYPE	MAXIMUM FUNDING AMOUNT
ACTION	Single Country	NIE, RIE, MIE	Up to USD 10 Million <i>per Project/Programme</i>
	Regional	RIE, MIE	Up to USD 14 Million <i>per Project/Programme</i>
	LLA Single country projects/programmes	NIE	USD 5 Million <i>per Project/Programme</i>
	Project Scale Up	NIE	USD 100,000 <i>per Grant</i>
INNOVATION	Small (single country)	NIE	USD 250,000 <i>per Project/Programme</i>
	Large (single country or regional)	NIE, MIE, RIE	USD 5 Million <i>per Project/Programme</i>
	Adaptation Fund Climate Innovation Accelerator	Non-accredited	Up to USD 250,000 <i>per Grantee/Innovator</i>
LEARNING & SHARING	Learning Grants	NIE	USD 500,000 <i>per Grant</i>
READINESS	Readiness Support Package Grant	NIE	USD 150,000 <i>per NIE</i>
	Technical Assistance Grant for the Environmental and Social Policy and Gender Policy	NIE	USD 25,000 <i>per NIE</i>
	Technical Assistance Grant for the Gender Policy	NIE	USD 10,000 <i>per NIE</i>



ACTION Funding Windows

Envelopes	Steps	Which implementing entities are eligible?		
		National	Regional	Multilateral
Single Country Up to USD 10M (country cap: 20M)	1 or 2	✓ PFG	✓ PFG	✓ PFG
Locally-led adaptation Up to USD 5M	1, 2 or 3	✓ PFG	✓ PFG	✓ PFG
Regional (2+ countries) Up to USD 14M	1, 2, or 3		✓ PFG	✓ PFG
Project Scale-Up Up to USD 100K	1 or 2	✓ PFG		

PFG Project formulation grant (accessible)



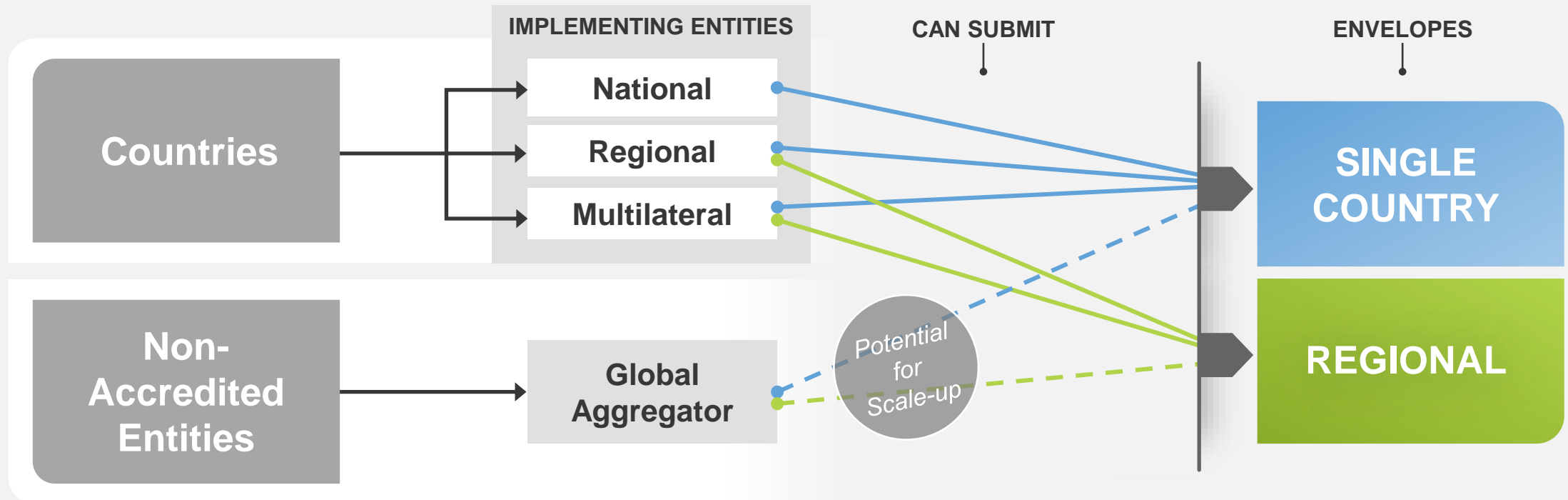
Who can submit to the Locally-Led Adaptation Funding Window

*outside of
country
cap*

Advantages

Devolving finance

Direct support to non-accredited actors



Project Formulation Grants (PFG)

	Less than USD 2M	USD 2M to 5M	USD 5M and above	Locally-led adaptation
Single country projects	\$50,000	\$100,000	\$150,000	\$150,000 + \$100,000
Regional projects			\$150,000 (1-2 countries) +\$15,000 per additional country Max \$250,000	

3-step approach

Pre-Concept

Concept

Full proposal

Maximum at *Pre-concept* stage is **20% of the maximum total PFG applicable** (only regional and LLA)



Types of readiness grants



The Readiness Package Grant (RPG)

US\$

150,000

*South-South peer support
For non-accredited entities*



Project Scale-Up Grants

100,000

To support planning, assessment, capacity enhancement for developing scaling up pathways



Technical Assistance Grant for the Environmental and Social Policy and Gender Policy (TA-ESGP)

25,000

To address and manage environmental and social risks and gender issues



Technical Assistance Grant for the Gender Policy (TA-GP)

10,000

To address gender considerations

Resources from International Carbon Markets to the Adaptation Fund

MANDATORY

KYOTO PROTOCOL

*Clean
Development
Mechanism*

2% Share of
proceeds from the
Certified Emissions
Reductions (CERs)

PARIS AGREEMENT

*Article 6.4
Carbon Crediting
Mechanism*

5% Share of proceeds
3 types of share of proceeds
1) In-kind: 5% of CERs
2) Monetary contribution:
3% of issuance fee paid
for each request
3) Transfer: Eligible CERs
go from Kyoto Protocol to
Paris Agreement

VOLUNTARY

PARIS AGREEMENT

*Article 6.2
Cooperative
Approaches*

Strongly encourages
participating Parties and
stakeholders using
cooperative approaches to
contribute resources for
adaptation, in particular
through [monetary]
**contributions to the
Adaptation Fund**

VOLUNTARY CARBON MARKET

*ICVCM
Core Carbon
Principles*

5% Share of
proceeds, on a voluntary
basis, included in the
Core Carbon Principles
of the Integrity Council
for the Voluntary Carbon
Market

Programming with the Adaptation Fund



Adaptation Fund – Cumulative portfolio

Grant amount

\$1,104 million (85.5%)

Implementing entity fees

\$96.8 million (7.5%)

Execution costs

\$90.7 million (7%)



183 projects approved
\$1,254 million

Regional breakdown of AF Investments

Asia-Pacific

63 projects

34.4% of portfolio

\$367M in grants

Africa

61 projects

33.3% of portfolio

\$465M in grants

Latin America & the Caribbean

43 projects

23.5% of portfolio

\$320M in grants

Eastern Europe

10 projects

5.5% of portfolio

\$60M in grants

Multi Region

6 projects

3.3% of portfolio

\$43M in grants

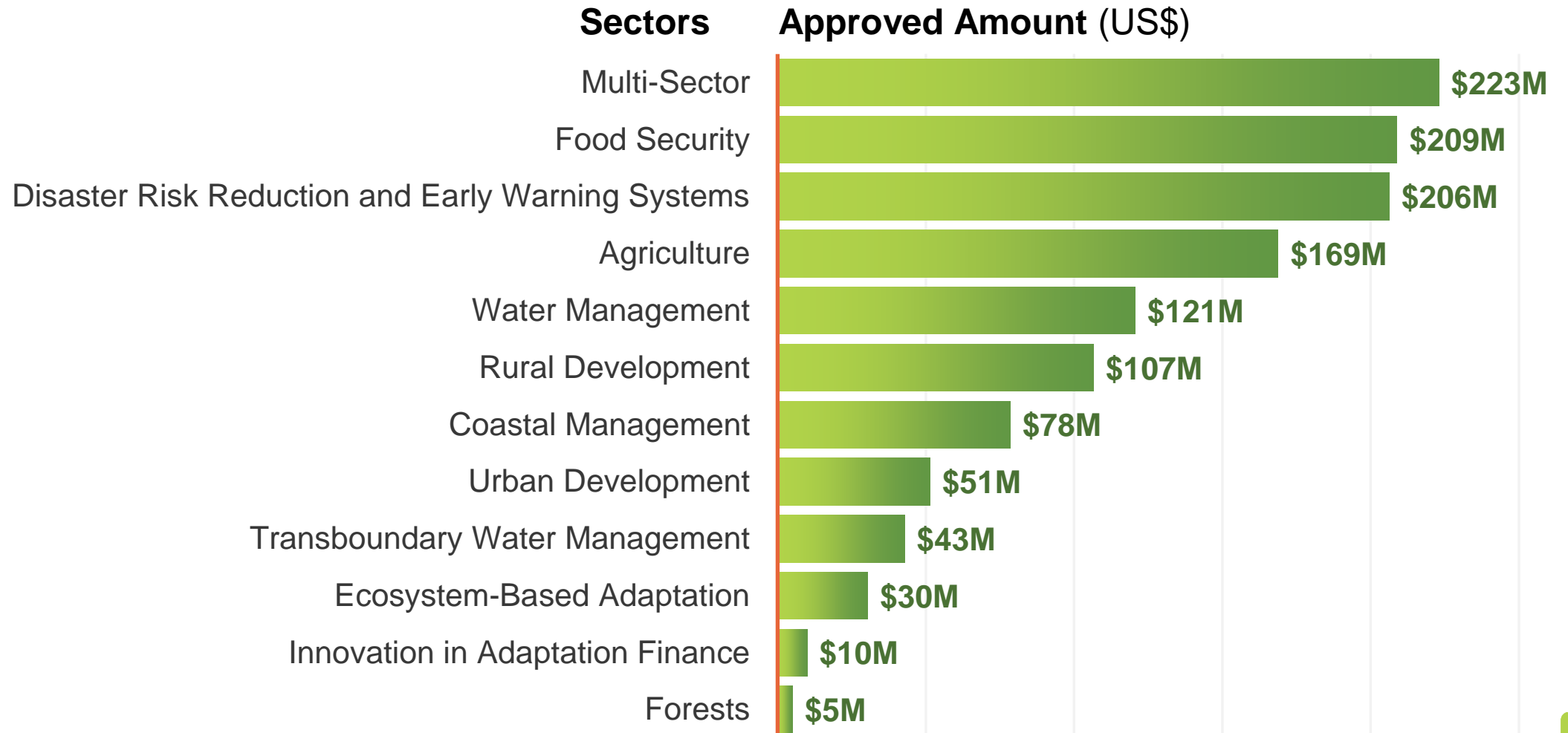
TOTAL

183 projects

\$1,254M
in grants



Investments by Sector



Programming

What the Adaptation Fund has to offer for eligible developing countries

Finance concrete adaptation activities in the most vulnerable communities

Visible and tangible impacts at the local level that can be scaled up

No prescribed sectors or approaches

Country-driven process that accommodates countries' priorities and adaptation reasoning

Country allocation USD 20 million available per country & up to 2 NIEs per country

For single country projects, other grants available outside of country cap

(Must access at least 8M or have a project completed more than 4 years to access second US 10M)

Finance the full cost of adaptation

No co-financing requirements


50% of portfolio for direct access

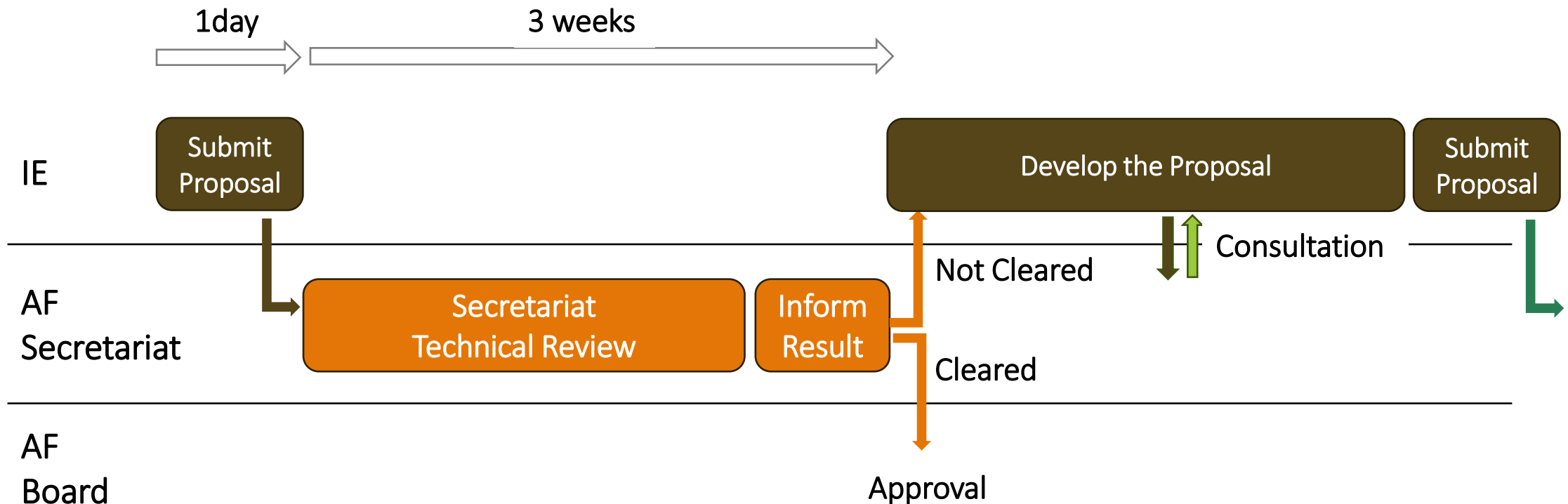
Total allocation for projects/ programs submitted by MIEs cannot exceed 50% of resources

Submission of the project or programme proposal

- Implementing entities have to use the **project proposal materials** (including instructions and template for preparing a request for [project/programme funding](https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/)) - available at: <https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/>
- Project/programmes proposals (and endorsement letters) are **submitted by implementing entities** to the AFB Secretariat

Rolling Basis: **Submission Process**

- IE will receive feedback within 3 weeks post-submission, except during review intermission 
- Proposal can be submitted at any time



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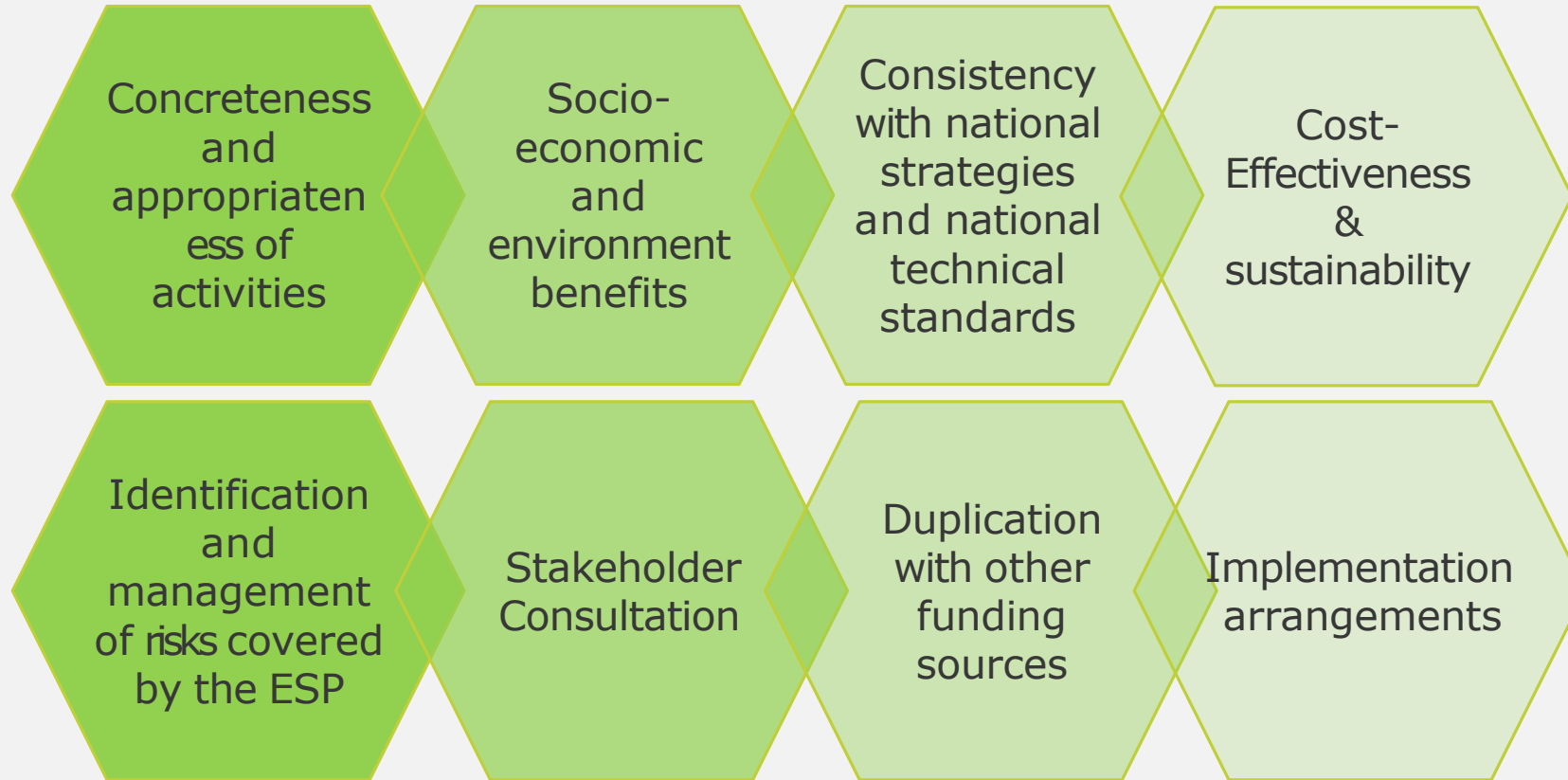
Rolling Basis: **Approval Process**

- Technically-cleared proposals proceed to the Board (biannually)
- There is review intermission as follows:



Technical review by the AFB secretariat

- Once received, proposals are reviewed by the AFB secretariat
- Reviews are done using **review criteria** (incl. ESP/gender policies-related)



- Forward the proposals with the technical reviews to the PPRC

Technical Requirements



- Climate adaptation rationale
- Theory of change
- Identifying, assessing and managing risks of environmental and social harms
- Grievance mechanism
- Sustainability of project activities
- Alignment with national standards
- Cost effectiveness of project
- Satisfying full cost of adaptation reasoning
- Adequacy of and suitable alignment of budgetary allocations (whether to IE or EE costs) etc.
- Well framed results framework

Contact Information

- **Action Funding**

Saliha Dobardzic (Lead)

sdobardzic@adaptation-fund.org

Neranda Maurice-George

nmauricegeorge@adaptation-fund.org

Estefania Rodriguez

estefaniajimenez@adaptation-fund.org

- **Innovation Funding**

Saliha Dobardzic (Lead)

sdobardzic@adaptation-fund.org

Marcus Johannesson

mjohannesson@adaptation-fund.org

Alyssa Maria Gomes

agomes3@adaptation-fund.org

Naoki Uozawa

nuozawa@adaptation-fund.org

- **Learning and Sharing**

Cristina G. Dengel

cdengel@adaptation-fund.org

- **Proposal Submissions:**

submissions@adaptation-fund.org copied to Team members above

Thank You



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