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# Technical Meeting on Adaptation (TEM-A)

**Songdo, Republic of South Korea  
11 April 2019**

The technical examination process on adaptation was established by the Paris Agreement to promote enhanced action prior to 2020. As part of this process, under the guidance of the UNFCCC Adaptation Committee and in collaboration with the UNFCCC Secretariat, the GCF Secretariat hosted a one-day in-region Technical Meeting on Adaptation (TEM-A) on 11 April 2019. This meeting took place during the Korea Global Adaptation Week from 8-12 April 2019 in Songdo, Republic of Korea.

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The objective of this TEM-A was to share learning being gained about good practices and approaches to adaptation planning for focusing and catalyzing adaptation finance, including with the private sector and multilateral Funds. A series of plenary sessions and breakout groups delved into specific country experiences, methodologies and guidance. Specific sessions focused on synergies in the climate finance architecture; adaptation planning; private sector investment in adaptation; impact of adaptation investments; and sectoral round tables on transformative project design. An estimated 150 different participants attended different sessions throughout this day. Below is the summary of each of the sessions:

### **I. Maximizing Synergies in the Climate Finance Architecture: Lessons learned, opportunities and challenges**

#### *Session summary:*

The 2018 Biennial Assessment and Overview of Climate Finance Flows prepared by the UNFCCC Standing Committee on Finance estimated total climate finance flows at USD 681 billion in 2016, of which only USD 2.6 billion were channeled through climate funds. The role of climate funds in promoting synergies and piloting ideas is of paramount importance. Synergies can take place in the form of blended projects, but also in projects that build on each other consecutively, and potentially in parallel projects funded by different mechanisms through different agencies. This session focused on fostering synergies in climate finance by discussing the perspectives of countries, entities, and representatives of Funds.

#### *Key messages:*

1. Country ownership remains essential to drive the process. Some countries find it challenging that international entities propose similar projects. It is difficult to prioritize which is best and GCF cannot consider all proposals.
2. Country planning and programming can help address some of these challenges, and national instruments and the planning documents (NAPs, NDCs, GCF Country Work Programmes) are crucial to coordinate and can be useful for wider climate finance windows.
3. Knowledge management is required to maintain knowledge from project to project and to enable scaling up. Since climate change adaptation is wider than one Ministry, it is not an easy transformation to manage, but its important that one institution in the country takes a leading role in coordination with others.
4. Early stakeholder engagement across different sectors and Ministries is key for the success of the process, including to understand the financing landscape and to engage counterparts and define what they are doing and what projects are in place.

## II. Opportunities and best practices for private investment in adaptation

### *Session summary:*

This session discussed common barriers that private sector institutions face when considering investing in adaptation, with examples of innovative financial structures to overcome them. After an introduction on how the GCF Private Sector Facility works and its impact so far, panelists shared their experience in this area. Followed by the presentations, dynamic discussions between the audience and the panel were carried out around challenges in private sector investment in adaptation, as well as on the two GCF approved private sector projects managed by Acumen and CABEL.

### *Key messages:*

1. There is a large gap in available finance for adaptation investments compared to the need. Public finance is insufficient, so the private sector must be more active – agriculture, forestry, water and buildings have been identified as key sectors with private investment potential.
2. Lack of business opportunities and lack of an awareness of business opportunities were identified as the most significant barriers to private investment. 53% of attendees identified avoided losses as the top motivation for adaptation investment, followed by new business opportunities at 33%, maintaining production at 13%, and revenue generation at 0%.
3. Adaptation planning at all scales can and should help to overcome barriers to private investment in adaptation by stimulating project development, communicating climate information (so that risks and costs are known), helping governments implement enabling policies and organizing capacity building workshops. Stimulating project development through adaptation planning was the highest ranked priority among participants.
4. GCF can further assist private investment in adaptation through its concessional financial instruments that de-risk investments and grants for technical assistance.

## III. Impact of adaptation investments for increasing resilience and reducing risk

### *Session summary:*

This session focused on adaptation investments for high impact, based upon advanced metrics. It also addressed appropriate access modalities for adaptation financing, starting from project design based upon adaptation planning, country programming and prioritization. Operationalization of adaptation metrics was discussed in relation to GCF monitoring, evaluation, and reporting frameworks. Good practices in addressing barriers to adaptation finance by implementing effective adaptation monitoring were also shared.

### *Key messages:*

1. Climate-resilient development will need to aim at protecting vulnerable people and communities from climate-related damages, and to maximize the benefits from climate-related opportunities, in order to boost people's health, prosperity and livelihood opportunities. GCF's role is to help countries prepare for this [climate-resilient future](#).
2. Adaptation metrics are contextual and complex due to attribution concerns. In the water sector, the indicators associated with SDG 6 are a useful starting point for water-related adaptation projects. For agriculture, the Koronivia process under the UNFCCC is developing specific metrics for both adaptation and mitigation. Leveraging multi-stakeholder partnerships offers an opportunity for monitoring projects and across different scales and sectors.

3. Successful adaptation project design and development is based on strong climate science and reflects country priorities and context. As a climate fund, GCF needs science-based evidence that the problem has been caused or exacerbated by climate change. GCF's support for adaptation planning processes can help in providing countries with the assistance to generate climate projects arising from country priorities and NAPs. In order to achieve paradigm shift and systemic change, adaptation projects need to feed back into sectoral policies and plans.

#### **IV. Sectoral Roundtables on Successful Adaptation Programmes and projects**

##### *Session summary:*

A set of sectoral roundtable discussions were focused on practical elements of project design and development, based on strong climate science and emphasizing country priorities and context. The roundtables were organized for the following themes: climate information and early warning systems; integrated and resilient infrastructure; water security; health and well-being; and natural resource management.

##### *Key messages:*

1. Transformative adaptation needs to be seen in the bigger picture of development of the country, and adaptation projects on the ground need to feed back into the policy arena. The current challenge lies with the identification, definition, and support for such paradigm-shifting changes which are evidenced based and country owned.
2. The development of adaptation projects should be an open and transparent process with extensive stakeholder consultation, based upon NAPs and GCF Country Work Programmes where possible. It is essential to manage the expectations of stakeholders in terms of timelines, funding and other requirements.
3. Climate problem identification is crucial in GCF funded projects and programmes. NAPs are essential in providing, at the country level, the needed systems to generate the information needed for programmes and projects which are more localized and specific.

##### **Sectoral Roundtable: Climate information and early warning systems**

Effective climate change adaptation investments, including adaptation finance, need to build up early warning systems as well as improve the capacity to act when an early warning is issued. This interactive session demonstrated how to develop an end-to-end climate risk reduction project based on Impact-based Forecasting (IbF) and Forecast-based Financing (FbF). This session also shared climate change adaptation approaches focused on building capacity in addressing extremes using information on shorter timescales. The session concluded (i) the current financing system still does not sufficiently enable anticipatory action especially in climate-related disasters; (ii) innovations like impact-based forecasting and forecast-based financing are therefore crucial to holistically build resilience to address community level vulnerabilities; and (iii) strong enabling environments especially in terms of financial regulatory frameworks are needed to increase access by streamlining faster fund processing for beneficiaries.

##### **Sectoral roundtable: Integrated and resilient infrastructure**

The roundtable was based on a methodology for project development in the result area of Integrated and Resilient Infrastructure, in response to countries' needs and problems regarding project origination and preparation for financing. During session, participants discussed relevance of the Workshop scope presented and proposed amendments.

**Sectoral roundtable: Water security**

This roundtable focused on the exchange of experiences between accredited entities, executing entities, and national designated authorities in developing water projects. It facilitated south-south learning and appreciation on the GCF project approval process between entities still developing their projects with those with approved funding. The discussion concluded that it is imperative to ensure affordability of the resulting water service, especially when involving the private sector. It also concluded that important considerations are at what price point the service provider breaks even, what level of cost recovery can be attained, and how much concessionality is required.

**Sectoral roundtable: Health and well-being**

This roundtable was a question and answer session with the participants that focused on project design and concept notes in the climate change and health and well-being sector. Design of specific project ideas were discussed, including regional programmes that would be paradigm-shifting, such as with early warning systems integrated health information systems to prevent sizeable epidemics.

**Sectoral roundtable: Natural Resource Management**

This roundtable presented the proposed GCF natural resources integrated management approach framework that is currently under development, and through guided discussion, exchanged on practical elements of project design and development to materialize synergies across sectors and between adaptation and mitigation.