



United Nations
Framework Convention on
Climate Change



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COASTAL ADAPTATION AND NATURE- BASED SOLUTIONS FOR THE IMPLEMENTATION OF NAPS: CONSIDERATIONS FOR GCF PROPOSAL DEVELOPMENT

A SUPPLEMENT TO THE UNFCCC NAP TECHNICAL GUIDELINES

MAR 2021 // PREPARED BY THE UNFCCC NWP EXPERT GROUP ON OCEANS



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For further information contact:

Main office

UNFCCC secretariat
UN Campus
Platz der Vereinten Nationen 1
53113 Bonn
Germany

Telephone +49. 228. 815-10 00

Telefax +49. 228. 815-19 99

Email secretariat@unfccc.int

Website: <https://unfccc.int>

ISBN: 978-92-9219-198-6

Suggested citation: UNFCCC. 2021. Coastal adaptation and nature-based solutions for the implementation of NAPs: Considerations for GCF proposal development. A supplement to the UNFCCC NAP Technical guidelines. Prepared by the NWP Expert Group on Oceans. Bonn: UNFCCC

Graphics, design, and layout: Christopher Breen



ACKNOWLEDGEMENTS

The United Nations Climate Change Secretariat would like to acknowledge the valuable contributions of the NWP Expert Group on Oceans for their engagement in advancing the thematic area of oceans, coastal areas and ecosystems since 2020.

In particular, we gratefully acknowledge the valuable contributions of the following experts in preparing the publication: Lisa Schindler Murray (Rare), Dorothée Herr (IUCN), Emily Goodwin (IUCN), Annika Min (IUCN), and Beatriz Granziera (The Nature Conservancy).

The United Nations Climate Change Secretariat would also like to acknowledge that the publication was prepared with inputs by the Green Climate Fund Secretariat and the Least Developed Countries Expert Group, as well as the following reviewers: Nicole Leotaud (Caribbean Natural Resources Institute), Vositha Wijenayake (SLYCAN Trust), Gabriel Grimsditch (UNEP), Ali Raza Rizvi (IUCN), Patrycja Enet (EU MSP Assistance Mechanism of the European Commission), Khalissa Ikhlef (UNESCO), Loreley Picourt (Ocean & Climate Platform) and Veronica Lo (Puffin Consulting).



INTRODUCTION

The considerations expressed herein are prepared with the intention to provide a framing for how coastal ecosystem-based adaptation and nature-based solution projects could meet the high-quality standards of cross-cutting existing GCF criteria and other EbA standards, not a substitute for any of the reviewed, existing criteria.

Sustainable Development Goal (SDG) 14 "Life below water" received less investments than all other SDGs^[1] , and it is therefore crucial to increase financial flows towards ocean-based solutions to climate change while preserving marine and coastal ecosystems, including blue carbon.

Unlocking financing is necessary to support developing countries to implement and enhance their climate commitments and adaptation needs. An important source of grants and concessional finance is from the Green Climate Fund (GCF) for coastal and marine Nature-based Solutions (NbS). Ocean and climate issues are often intertwined, particularly for Least Developed Countries (LDCs) and Small Island Developing States (SIDS). Enabling the capacity of LDCs and SIDS to develop high-quality proposals is needed to unlock access to funding for NbS, including ecosystem-based adaptation (EbA) in a situation where the blue economy (i.e., available financing and scale of investment) continues to lag behind its terrestrial counterpart.

For GCF proposals, one step towards building capacity is to clarify the available entry points for those types of proposals as well as outline key elements needed to create successful and high-impact proposals for coastal and marine NbS.

(1) <https://sdgfunders.org/sdgs/>



The Nairobi Work Programme (NWP) Expert Group on Oceans identified the need to support actions that address ocean-climate adaptation financing gaps. This supplement was prepared with insights from the LDC Expert Group (LEG) and the GCF Secretariat. The NWP Expert Group on Oceans developed this brief with the intent to facilitate access to, and funding by, the GCF via improved, high-quality proposals. It is intended to be a complement to the GCF's upcoming Sectoral Guidelines for Ecosystems and Ecosystem Services (EES) geared specifically towards coastal and marine NbS. It also contributes towards addressing the gaps and needs related to the process to formulate and implement NAPs, particularly those related to accessing financial and other support. Moreover, it also responds to the call for guidance on accessing finance, which is highlighted in the integrative supplement to the technical guidelines for the formulation and implementation of National Adaptation Plans (NAPs) (currently in development).

EbA is explicitly listed as one of several approaches in the NAP Technical Guidelines for conducting vulnerability and risk assessments, which can aid in prioritizing measures such as conservation or restoration actions to maintain ecosystem health and functioning. Thus, the considerations outlined in this brief for high-impact GCF proposals are also equally important to be considered in the formulation and implementation of NAPs.

The purpose of the supplement is to:

- Clarify the entry points and financial instruments to enhance access to coastal and marine NbS opportunities in the GCF; and,
- Provide a specifically coastal EbA and NbS lens that take into account the GCF's requirements and priorities, as defined in the GCF Programming Manual and the GCF Updated Strategic plan, as well as the standards that ensure environmental integrity of nature-based approaches in coastal zones.



FINANCIAL INSTRUMENTS

Below is an overview of the main financial instruments and entry points to accessing GCF funding. Having clarity on these points sets the stage for the development of high-quality projects and funding proposals.

Thematic windows: Nature-based Solutions are relevant to climate adaptation and mitigation proposals. The primary purpose of the GCF proposal should be clearly identified as adaptation, mitigation, or cross-cutting. Mitigation and adaptation windows are defined below with a cross-cutting proposal including elements of both. The proposals should be supported with quantitative targets to the extent possible. Beyond the primary climate purpose, the project should also identify opportunities to deliver concrete co-benefits[2], including achieving the 2030 Agenda for Sustainable Development (SDG).

ADAPTATION

Coastal and marine NbS play a significant role for climate adaptation in developing countries, especially LDCs and SIDS. They have a clear role for coastal protection and prevention of coastal erosion as well as lessening the impacts from severe weather events. Coastal and marine ecosystems, if well managed, can additionally support food security, key economic sectors, and the livelihoods of vulnerable coastal stakeholders, all of which are critical for creating social and economic resilience to climate impacts.

MITIGATION

Mangroves, seagrasses, and saltmarshes are amongst the planet's most effective carbon stores according to the IPCC, due to their capacity to capture CO₂ from the atmosphere and keep it in their biomass and in rich organic soils. Sustainable management, restoration and protection of these ecosystems can significantly contribute to climate mitigation efforts in coastal countries and islands. Conversion and degradation of these carbon-rich ecosystems, on the other hand, can release significant amounts of greenhouse gases into the atmosphere, compounding the importance of protecting them.

[2] For an example of how 'co-benefits' are represented, look at [GCF proposal FP013](#), "Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam"

There are different options for financing coastal and marine projects under the GCF, which are outlined below. GCF proposals can also take advantage of more than one financial tool to maximize the impact of the investment.

OPTIONS FOR FINANCIAL INSTRUMENTS

Photo: Canva

GRANTS

Grants are resources provided without the expectation that the funds will be repaid. It is the traditional type of funding support for countries, especially via non-governmental Accredited Entities for EbA / NbS related projects.

LOANS

Differently from grants, loans are expected to be repaid. GCF concessional loans, however, generally have interest rates below those available on the market, providing alternative conditions than normal market-loans.

PRIVATE EQUITY

Equity refers to capital invested into companies that are not publicly traded to leverage debt and achieve better returns.

GUARANTEES

Guarantees are instruments to mitigate risk, in which a guarantor undertakes to fulfil the obligations of a borrower to a lender in the event of non-performance or default of its obligations by the borrower, in exchange for a fee.

RESULTS-BASED PAYMENTS

Results-based payments are made following the verification of emission reductions achieved under the project. Beginning in October 2017, GCF has piloted REDD+ results-based payments, consistent with the Warsaw Framework for REDD+ and other relevant United Nations Framework Convention on Climate Change (UNFCCC) decisions. REDD+ can include coastal mangrove forests in select countries.



The options for financial instruments noted above are all encouraged to explore within the context of the GCF, in line with the GCF investment criteria which notes the intent to maximize engagement with the private sector and to engage in blended finance opportunities.

The GCF accepts funding proposals on a rolling basis. In addition, it regularly issues requests for proposals to cover specific gaps within its portfolio. There is a number of specific windows established under the GCF through which requests for proposals are published:

PROGRAM WINDOWS

GCF'S READINESS AND PREPARATORY SUPPORT PROGRAMME (NAP FORMULATION WINDOW)

Reference [1,2](#)

- Up to USD 3 million for the formulation of NAPs and/or other adaptation planning processes, including support for subnational adaptation plans and/or sectoral adaptation planning processes.
- Application process follows the same approach as the Readiness application process. Unlike non-NAP Readiness, adaptation planning proposals can be submitted on a rolling basis.

PROJECT PREPARATION FACILITY (PPF)

Reference [3](#)

- Up to USD 1.5 million
- Intended to support the Direct Access Entity (DAE) for projects in the micro and small sized category.
- Total amount allowable per proposal is dependent on the size and scale of the project request as well as other relevant constraints such as co-financing. PPF Service can be provided to Accredited Entities (AE) who do not wish to take on the procurement and project management of PPF activities themselves. The GCF provides project preparation services directly to AEs through a roster of independent consultancy firms, ensuring fast and quality delivery to AEs.

GCF READINESS SUPPORT TO CLIMATE RESILIENT RECOVERY

Reference [4](#)

- Up to 3 options (one or a combination) but counted under the annual readiness cap (USD 1 million per country/yr) for 2021 depending on the date that the request is approved by the GCF. Options:
 - 1: A new Standardized Rapid Readiness grant (up to USD 300,000)
 - 2: Adaptive management of the existing Readiness grants, including additional budget allocation up to USD 50,000
 - 3: Technical support via GCF rostered experts/firms
- For addressing the impact of the COVID-19 pandemic on and opportunities for national climate change strategies & plans; National strategy for resilient recovery developed and adopted by NDA/country; or Concept notes with pre-feasibility studies for up to three priority projects/programmes.

GCF'S READINESS AND PREPARATORY SUPPORT PROGRAMME

Reference [5](#)

- Up to USD 1 million per country per year for support related to institutional capacity building, coordination, policy and planning, and programming for investment.
- Of this amount, up to USD 300,000 could be allocated per year to directly support and strengthen a National Designated Authority (NDA), DAE, or focal point to help the country access the full array of GCF resources.



CONSIDERATIONS FOR GCF PROPOSALS

COASTAL AND MARINE NATURE-BASED SOLUTIONS

These broad considerations were developed through analysis and comparison of various standards, guidelines, and investment criteria for interventions related to NbS and EbA. The points outlined in the table below are not a substitute for any of the reviewed criteria but prepared with the intention to provide a framing for how coastal EbA projects could meet the high-quality standards of cross-cutting existing criteria. In addition to these proposed considerations, the GCF evaluates many different types of proposals by the investment criteria, which should be thoughtfully considered in the context of your individual proposal as well. See Annex 1 for a snapshot of the GCF Investment Criteria.

While these points were prepared in the context of supporting countries to develop GCF proposals, they are also applicable to other funding bodies like the Adaptation Fund or others, and are relevant to all nature-based solutions.

The documents consulted in the development of these points include:

1. The GCF sector guidance principles from the draft executive summary (the GCF secretariat is currently undertaking consultations to solicit inputs on the guidance principles)
2. [GCF Investment Criteria](#) (also listed in Annex 1 for reference)
3. [GCF Environmental and Social Screening – exclusion criteria](#)
4. [GEF EbA Criteria](#)
5. [FEBA EbA Qualification Criteria & Quality Standards](#)
6. [CBD Voluntary Guidelines on EbA & Eco-DRR](#)
7. [IUCN Global Standard for NbS](#)
8. [REDD+ Cancun Safeguards](#)

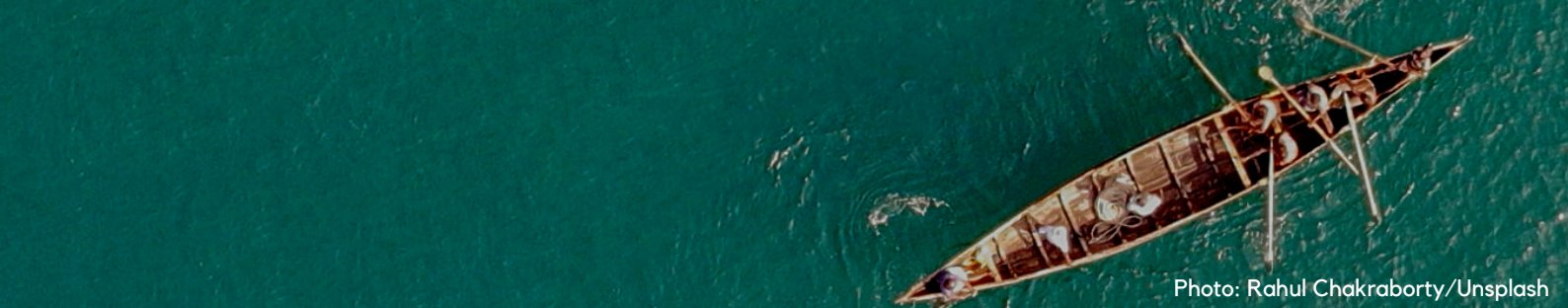


Photo: Rahul Chakraborty/Unsplash

CONSIDERATIONS	COASTAL NBS EXAMPLE
<p>GO BEYOND DO NO HARM</p> <p>Reduce social, cultural, economic and environmental vulnerabilities, generate multiple benefits and go beyond “do no harm” to equitably balance trade-offs and build back better.</p>	<p>Train local communities for coastal and marine landscape restoration activities to ensure the local needs and coastal community knowledge are considered and are aware of the co-benefits of sustainable use. Ensure that coastal restoration projects incorporate livelihood opportunities such as sustainable fisheries opportunities including proper training based on cultural norms and sustainability, at an individual and community level.</p>
<p>ECOSYSTEM INTEGRITY</p> <p>Restore, maintain, or improve biodiversity and environmental integrity, ensuring ecosystem health connectivity and representation of native ecosystems and successional stages, and consider co-benefits such as carbon sequestration</p>	<p>Include or develop networks of marine protected areas, biosphere reserves, natural and cultural heritage sites, or other coastal zone management approaches that include activities that aim to protect and restore coastal and marine ecosystems.</p>
<p>POLICY INTEGRATION & CAPACITY BUILDING</p> <p>Facilitate learning, environmental education, knowledge sharing, policy integration and mainstreaming, capacity-building, institutional strengthening, upscaling of impacts, and development of enabling environments at multiple levels.</p>	<p>Establish a Coastal Resilience Network of organizations, educational institutions and schools, tertiary institutions, coordination platforms and coastal districts to promote knowledge exchange, coordination and collaboration on integration of climate change adaptation into coastal development planning, with a focus on EbA.</p>
<p>EQUITABLE GOVERNANCE & PARTICIPATION</p> <p>Foster local and indigenous ownership and stewardship through inclusive, equitable, respectful, and empowering governance processes and safeguards based on free, prior, and informed consent (FPIC) and a participatory, safety-conscious, gender-sensitive, and non-discriminatory approach that are incorporated at all stages of the planning, decision-making, implementation, and monitoring.</p>	<p>Select coastal sites in consultation and collaboration with local communities and particularly vulnerable groups and consider land tenure status of coastal regions such as seagrass meadows and/or mangrove forests, as well as related legislation regarding state land along the coastal zones.</p>
<p>MONITORING, EVALUATION & ADAPTIVE MANAGEMENT</p> <p>Engage in evidence-based adaptive management through monitoring and evaluation of relevant indicators throughout all stages of planning and implementation, proactively considering the potential for maladaptation. Build data collection systems to interpret data and provide the information required for investments.</p>	<p>Use citizen science approaches to train local communities to monitor coastal ecology and ecosystem health for adaptation indicators and measures, such as defined in EbA projects, and/or build government capacity to undertake carbon assessments and measurements and used for adaptative management going forward.</p>
<p>SUSTAINABLE PROJECT DESIGN</p> <p>Design for long-term viability, sustainability and effectiveness (ecological, economic, social, financial) and appropriately leverage resources, including from the private sector. Projects should integrate with complementary actions into an overall adaptation strategy.</p>	<p>Establish multi-stakeholder coordination structures in target landscapes to provide a platform for dialogue on and coordination of climate-resilient development planning and co-management of coastal ecosystems beyond the project.</p>
<p>TRANSPARENCY & COLLABORATION</p> <p>Prioritize transparency and effectiveness of projects and governance through consistent support, coordination and collaboration at all levels and stages (planning, implementation, evaluation), maximizing synergies, avoiding duplication of effort, and taking into account national legislation and sovereignty.</p>	<p>Include the political commitment to transparent approaches for information sharing and data collection, such as developing an open-access portal for coastal and marine adaptation indicators that can be used by local stakeholders to facilitate sustainable behavior change and community buy-in, as well as referenced for global targets like the SDGs.</p>



PRACTICAL TIPS ON PROPOSAL PREPARATION

FOR THE GREEN CLIMATE FUND

- Clarify terminology and remain consistent in proposal development process: ecosystem-based adaptation (EbA) constitutes nature-based solutions (NbS) for climate change adaptation[3].
- The GCF proposal process takes time:
 - Have a dedicated team assigned to focus on your proposal; the average process varies in time but could take up to approximately 18 months.
 - While concept notes are not mandatory, they are strongly encouraged in order to promote early feedback from the GCF Secretariat. This is particularly true for PPF requests to allow for a faster review process.
- Understand relevant adaptation priorities in terms of policies, projects and programmes contained in the NAP. Refer to the [LEG's Information Paper on How the Process to Formulate and Implement National Adaptation Plans Can be Supported in the Least Developed Countries](#) for more information.
- Engage early on with both the GCF team to receive guidance and feedback; as well as with local coastal communities and other beneficiaries and potential partners to build ownership and buy-in, and to ensure that local considerations are adequately addressed at the outset to avoid potential resistance or delay.

[3]**Nature-based Solutions (NbS):** NbS are actions to protect, sustainably manage, and restore natural or modified ecosystems, which address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits (IUCN Global Standard for NbS, 2020).

Ecosystem-based Adaptation: EbA is the use of biodiversity and ecosystem services as part of an overall adaptation strategy to help people to adapt to the adverse effects of climate change (CBD, 2009 & 2010).



- Have a dedicated climate-science staff assigned to provide clear climate rationale. The climate rationale for an adaptation investment is crucial (see Annex 2) and often encounters challenges during the independent technical advisory panel (iTAP) stage. For example, for a mangrove replanting initiative, clear evidence of the proposed mangrove species resilience to the specific hazards of that region needs to be demonstrated, which could require data on that species' resistance to the expected strength of future climate driven storm surges.
- When arranging your proposal development team, ensure that there is specific technical support on cross-cutting topics, such as gender.
- Find the right balance of budget details. Be specific, without over-doing the number of sub-items and activities included.
- Receiving and finalizing your National Designated Authority (NDA) [4] endorsement letter takes time. Engage with the NDA early to receive the appropriate endorsement letters.
- Use information if there is a designated government site with country-specific GCF information, like [Indonesia](#) or the [Philippines](#), for example.
- Co-financing is an important contribution to your proposal. Be sure to clarify the co-financing sources as soon as possible and consult the [GCF co-financing policy](#). It may also be useful to strengthen co-financing mechanisms with the GEF on NbS as a complementary action.

Resource Section:

- [NWP Policy Brief on the Ocean: Scaling Up Adaptation Actions and Co-operation to Build Climate Resilience of Ocean, Coastal Areas and Ecosystems](#)
- The EES Sectoral Guide from the GCF will be open for consultation in 2021 and the final version will be publicly available on the GCF website.

ANNEX 1: GCF INVESTMENT CRITERIA INDICATORS



INVESTMENT CRITERION	INDICATOR	EXPLANATION
IMPACT POTENTIAL	Mitigation Impact	Describe the expected reductions in emissions from the GCF intervention (in tCO ₂ eq)
	Adaptation Impact	Describe the expected change in loss of lives, value of physical assets, livelihoods, and/or environmental or social losses due to the impact of extreme climate-related disasters and climate change in the geographical area of the GCF intervention. Proposals should also refer to the number of direct and indirect beneficiaries of the project
PARADIGM SHIFT POTENTIAL	Necessary conditions	Outline how the proposed project can catalyse impact beyond one-off investment, accompanied by a robust and convincing theory of change for replication and/or scaling up the project results
SUSTAINABLE DEVELOPMENT POTENTIAL	Co-benefit	Identify at least one positive co-benefit in at least two of the four coverage areas: economic, social, environmental, and gender empowerment. The proposal should provide an associated indicator, as well as baseline and target values for the co-benefits. Where appropriate, proposals should reference the achievement of one or more of the United Nations SDGs
NEEDS OF THE RECIPIENT	Barriers to Climate-Related Finance	Describe the country's financial, economic, social and institutional needs and the barriers to accessing climate finance and how the proposed intervention will address the identified needs and barrier
COUNTRY OWNERSHIP	Alignment with NDCs, relevant national plan indicators, and/or enabling policy and institutional frameworks	Describe how the proposed activities are aligned with the country's NDC and other national plans, and how the funding proposal will help to achieve the NDC or those plans. Also reference the degree to which the project is supported by a country's enabling environment
	Explanation of engagement with relevant stakeholders	Outline how proposals were developed in consultation with relevant stakeholders. Engagement with national designated authorities is required
EFFICIENCY AND EFFECTIVENESS	Mitigation: Cost per tCO ₂ eq	Provide the cost per tCO ₂ eq of the GCF intervention
	Mitigation: Ratio of co-financing	Indicate the ratio of co-financing mobilized relative to the GCF contribution to the total project, as appropriate
	Mitigation: Expected rate of return	Provide an estimate of the expected economic internal rate of return and/or financial internal rate of return, depending on the needs of the project
	Mitigation and Adaptation: Application of Best Practices	Describe how the proposal applies and builds on the best practices in the sector



ANNEX 2: CLIMATE CONTEXT FOR ADAPTATION PROPOSALS

Excerpt from GCF Programming Manual (page 94)

"The climate rationale for adaptation projects should demonstrate how the project/programme activities would help to reduce vulnerabilities to the impacts of climate change. This should clearly distinguish between the climatic and non-climatic drivers of stressors to humans and ecosystems and their vulnerabilities in order to allow the project to achieve transformative results. In addition to climate factors, in the case of adaptation, the climate science basis should identify the degree of exposure and vulnerability of affected people and assets to current and future climate conditions, and their root causes, as a basis for identifying and prioritizing adaptation needs. The climate science basis supports the theory of change (see section B.2), identifying and characterizing the past, present and future behaviour of multiple climate drivers across spatial and temporal scales that are associated with societal impacts and which need to be addressed to improve future climate-related societal impacts. The climate rationale for adaptation can potentially broaden the prevailing "predict-and-act" approach whereby biophysical hazards are viewed as the main source of risk, neglecting the societal roots of exposure and vulnerability and the necessity for political–economic change to achieve transformative adaptation."

SCOPE OF THE PREDICT-AND-ACT APPROACH VS THE CLIMATE RATIONALE

	PREDICT AND ACT APPROACH	CLIMATE RATIONALE / THEORY OF CHANGE
OBJECTIVE	Determine the likely future scenario and design the best policy for that future	identify the greatest exposures, vulnerabilities, and potential impacts across a diverse range of present and future climate conditions, and identify a suite of policy options that perform well across that range
CONCEPTUAL FRAMEWORK	Maximise expected utility	Minimize regret
MAIN POLICY QUESTION	"What is most likely to happen?"	"How does my biophysical and societal system work and in which conditions might my policies fail?"

Read more: <https://www.greenclimate.fund/sites/default/files/document/gcf-programming-manual.pdf>