ADAPTATION FUND SUPPORT AND NEW OPPORTUNITIES FOR NAPs IMPLEMENTATION

SB60 Climate Change Conference in Bonn, Germany

UN4NAPs Side Event, 4 June 2024

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Adaptation Fund at a glance

Established in 2001 and operationalized in 2007 under the Kyoto Protocol & since 2019 serving the Paris Agreement

Over US$ 1.2 billion allocated to 155 concrete adaptation projects with tangible results at the local level that can be scaled up

Pioneered Direct Access modality with majority of Implementing Entities being NIEs

All developing countries that are Parties to the KP or PA are eligible to access funding

Country-driven and simplified access processes

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Medium-Term Strategy from 2023 to 2027: Mandate – Mission – Strategic Priorities

MANDATE

Finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting the cost of adaptation

MISSION

The Adaptation Fund serves the Paris Agreement by **accelerating effective adaptation action and efficient access to finance, including through direct access**, to respond to the urgent needs and priorities of developing countries. The Fund does so by supporting country-driven adaptation projects and programmes, innovation, and learning with concrete results at the local level that can be scaled up.

Support for NAPs & NDC Implementation

Kickstarting NAPs implementation through simplified access to grant funding for concrete, localized, and effective adaptation that can be scaled up

The Fund pays particular attention to NAPs & NDCs in its programming processes

According to Fund's Operational Policies and Guidelines (OPGs):

➢ Projects should be developed in way to take into account NAPs & NDCs, if they exist

➢ Board shall give particular attention to consistency with NAPs etc. in assessing proposals

➢ All proposals are screened for consistency with NAPs & NDCs, if they exist

Countries can choose their priority sectors/themes in line with their NAPs & NDCs can accredit relevant NIEs

➢ Countries are encouraged to make use of the direct access modality, where possible, and accredit NIEs that have capacities to implement projects in priority sectors

➢ Countries can make strategic choices about the use of AF resources for their priority sectors

Support for learning, innovation and scaling up to support

➢ Identify and prioritize effective adaptation solutions for inclusion in NAPs & NDCs and wider implementation

➢ Encourage the testing of new and emerging adaptation solutions for inclusion in NAPs & NDCs

➢ Scaling up of successful adaptation projects with other funders
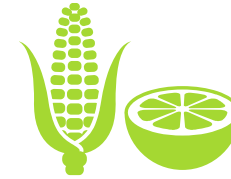
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Project sectors and themes

- Disaster Risk Reduction
- Nature-based solutions
- Coastal management
- Agriculture
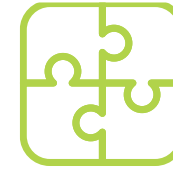- Water resources Management
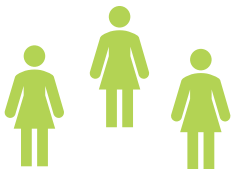
- Forests and Land Use
- Rural development
- Food Security
- Social innovation
- Urban adaptation

- Advancement of gender equality
- Enhancement of cultural heritage
- Focus on communities
- Inclusion of youth
- Innovative adaptation financing

At a glance: What is available for eligible Parties

Concrete adaptation activities in the most vulnerable communities

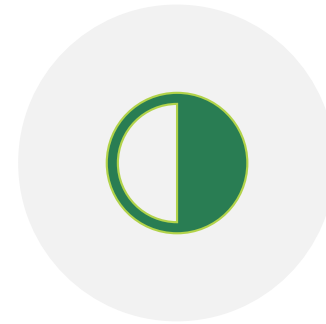Visible and tangible impacts at the local level that can be scaled up

No prescribed sectors or approaches

Country-driven process that accommodates countries' priorities in line with their NAPs & NDCs

Finance the full cost of adaptation

No co-financing requirements

50% of portfolio for Direct Access

Eligible Parties can accredit up to two National Implementing Entities (NIEs)

USD 20 million available per country

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

Latest Updates and Opportunities from 42nd AF Board meeting

Locally Led Adaptation Window: Up to US$ 5 million for single-country LLA (open to all IEs)

Global Aggregator for Locally-Led Adaptation: non-accredited entities can apply

Increase of Learning Grants to US$ 500,000 – for accredited NIEs

Increase of Project Formualtion Grants to US$ 150,000 max. & additional PFG for LLA of up to US$ 100,000

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Overview of Available Funding Windows

ACTION	INNOVATION	LEARNING & SHARING
Single country projects (up to $10M) within cap of $20M per country *NIEs, RIEs, MIEs* & **Project Formulation Grants**	**Small grants (up to US$250 k)** to foster innovation practices in climate change adaptation *(NIEs)* **Outside country cap**	**Learning grants (up to US$500 K)** to share best practices and lessons learned per project to provide support for National Implementing Entities (NIEs) in capturing and disseminating practical lessons from adaptation interventions **Outside country cap**
Regional projects (multi-country): up to $14M *(RIEs, MIEs)* & **PFG** **Outside country cap**	**Small grants (up to $ 250k)** in **innovation for non-accredited entities through AFCIA** *(AF Climate Innovation Accelerator through MIEs and RIEs)* **UNDP, UNEP-CTCN (Phase I & II) , UNIDO, WFP**	
Locally-led Adaptation (LLA) (formerly Enhanced Direct Access - EDA): up to US$ 5 M per country *(NIE, RIE, MIE)* **& PFG** **Outside country cap**	**Large grants (up to US$5 M)** to roll out innovative adaptation practices and tools *Single country (NIE, RIE, MIE) or regional (RIE, MIE)* **Outside country cap**	

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Additional delivery modalities for expanding support to LLA

8 PRINCIPLES
For Locally led Adaptation

Principle 1
Devolving decision making to the lowest appropriate level

Principle 2
Addressing structural inequalities faced by women, youth, disabled, displaced people, indigenous people & marginalised ethnic groups

Principle 3
Providing patient & predictable funding that can be accessed more easily

Principle 4
Investing in local capabilities to leave an institutional legacy

Principle 5
Build a robust understanding of climate risk & uncertainty

Principle 6
Flexible programming & learning

Principle 7
Ensuring transparency & accountability

Principle 8
Collaborative action & investment

Additional delivery modalities for expanding support to LLA in the Adaptation Fund

Single Country LLA Projects:
- Encourage National Programming
- Build capacity for national delivery mechanism(s)
- Enable involvement of subnational and local governments

NIE

RIE

MIE

- Replace current EDA with LLA window
- Size of projects 5M per project
- Increased PFG: 150 K+100K
- 3 Step approval

Regional LLA Projects (3+ countries)
- Strengthen regional delivery mechanism(s)
- Deliver tailored capacity building and learning hubs, leveraging synergies, based on regional similarities
- Address transboundary needs

RIEs

MIEs

Details developed for AFB.44

Global Aggregator
- Enable direct access to non-accredited entities
- Encourage networking
- Coordinate capacity development (tools, marketplace, networks)
- support to build in-country programming

RIEs *

MIEs

Call for EOI to MIE +RIE for proposals

IEs can a component for coordinating learning, KM and capacity development for the LLA programme.

Fo

Project Formulation Grants per project/programme

Inclusive of IE fee, capped at 8.5%

Single Country projects under all funding windows (regular, large innovation and [EDA/LLA])	Additional PFG for [LLA] projects	Regional projects under all funding windows	PFG for projects submitted using three-step approach
• For single country projects **below US$ 2 million the limit is set at US$ 50,000;** • For single country projects **US$ 2 million and above but below US$ 5 million the limit is set at US$ 100,000;** • For single country projects **US$ 5 million and above, the limit is set at US$ 150,000;**	• **For single country [LLA]** projects, **additional PFG amount up to a maximum of US$ 100,000 and will be evaluated on a case-by-case basis as per the provided justifications** to support activities that enable devolving decision making to local actors & to enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed and implemented.	• For all regional projects of US$ 5 million and above with less than three countries, the limit is set at US$ 150,000. • The limit can **increase by US$ 15,000 for each additional country involved**, up to a maximum of US$ 250,000.	• When a 3-step approach is used, the maximum amount of PFG that can be requested at the pre-concept stage is twenty percent (20%) of the maximum total PFG applicable to the project.

Requests for a PFG should be made at the same time as the submission of a project concept or pre-concept to the secretariat using the revised PFG form in Annex I of document AFB/PPRC.33/40.

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Activities that are eligible for Project Formulation Grants

Local consultations, and/or workshops to discuss the specific project and program ideas (including translation into local languages, preparation of background papers, etc).

Travel costs for experts, when required, for consultations and discussions with interested parties and stakeholders, and local participation as needed in project design.

Country-, region-, or site-specific risk assessments, including identifying hazards, vulnerabilities, development of scenarios and determining hazard mitigation options.

Consultancies and contracts to develop program and/or project options.

Gender and Environmental and Social risk analyses and formulation of Environmental and Social Management Plan and Gender Action Plan.

Free prior and informed consent and related consultations where appropriate to ensure compliance with the Environmental and Social Policy.

Specific analyses in support of the proposed projects (policy analysis, data inventories and analyses, cost effectiveness, etc).

Identification of project or programme indicators and development of monitoring and evaluation plan.

Costs of translating documents into and out of English.

Assessing capacity of executing partners.

Enabling activities that support devolving the decision making regarding the project design to the lowest appropriate level.

Identification of project/programme level indicators

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Learning grants - Eligible activities

- Lessons learned
- Studies & publications
- Technical guidance briefs
- Partnerships
- Knowledge platforms
- Workshops
- Resource centers
- Knowledge sharing events
- Country exchanges
- Learning courses

➢ *List is non-exhausting and further activities could be added*

AF Designated Authorities / Focal Points

Responsible for the endorsement on behalf of the national government of:

a) **Accreditation applications of up to two National Implementing Entities (NIEs)** submitted by national entities;

b) **Accreditation applications as Regional Implementing Entities (RIEs)** submitted by regional or sub-regional entities; and

c) **Projects and programmes proposed by the implementing entities**, either national, regional, subregional, or multilateral.

> The Designated Authority shall confirm **that the endorsed project/programme proposal is in accordance with the government's national or regional priorities in implementing adaptation activities**
>
> **This includes whether the project is aligned with the country's national adaptation planning processes, including NAPs!**

All Designated Authorities and relevant contacts are listed on the AF website:
https://www.adaptation-fund.org/apply-funding/designated-authorities/
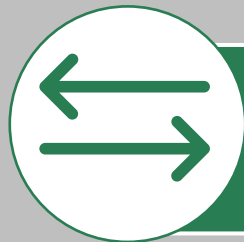
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Accreditation

56 IEs accredited to date: 32 NIEs, 9 RIEs, and 15 MIEs (10 NIEs in LDCs & 7 NIEs in SIDS)

Streamlined accreditation available for smaller entities

Fast-track (re) accreditation available for GCF Accredited Entities

The AF encourages countries to make use of the **Direct Access Modality,** promotes country ownership and builds national capacities

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Available readiness & capacity-building support

Pre-accreditation

Readiness package grants

Up to US$ 150,000 for NIEs

Post-accreditation

Technical Assistance grants for ESP & Gender Policy

up to US$ 25,000 & US$ 10,000

Project development

Project formulation grants

up to US$ 150,000 + additional US$ 100,000 on a case-by-case basis

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New & Simplified Proposal Submission Process

Implementing Entities (IEs) are invited to submit project proposals and concepts **on a rolling basis** for all funding windows

To submit a proposal, the IE should submit to the AFB secretariat the relevant **proposal template & a valid Letter of Endorsement** signed by the DA, with the DA copied

AFB secretariat will deliver a **first technical review within 3 weeks** of receiving a proposal, except during the "review intermission" period (shortly before and during the Board meeting) & **IEs have up to 3 weeks to resubmit a revised proposal** after having received the technical review

The **AF Board considers proposals and concepts** that are technically cleared during its biannual Board meetings in March/April & October of each year.

Project proposal templates and guidance documents are available under:

https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/

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LOCALLY-LED ADAPTATION ACROSS FUNDING WINDOWS

ENHANCED DIRECT ACCESS

Farmers at indigenous territory of Talamanca-Valle de la Estrella in Costa Rica restore a greenhouse to diversify production that conserves land and resources. The project won the international INNOVAGRO 2019 award for Social Innovation. *(Photo by Silvia Camareno)*

INNOVATION

AGCID in Chile is innovating new approaches to water management, including establishing emergency water access stations during drought through an AF innovation grant. *(Photo by Violeta Leiva Milanca)*

Mother & daughter harvesting taro in AF direct access 'PEARL' project in Cook Islands that installed culverts to protect crops from floods. *(Photo by Mel Tuiravakai)*

Adaptation Fund
Climate Innovation Accelerator

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UNDP

UN environment programme

CTCN
CLIMATE TECHNOLOGY CENTRE & NETWORK

Women beneficiaries of Self-Help Group (SHG) nurturing the summer crops in a float-farm in Amtoli village in the Sundarbans region of southern India and parts of Bangladesh. (Photo: South Asian Forum for Environment).

- **Direct innovation funding to non- accredited entities** – indigenous people's groups, civil society organizations, associations, institutions, businesses, agencies, NGOs, women, youth and other vulnerable groups.

Floating Farms, grant administered by UNDP
- Run by the **South Asian nature Forum for Environment (SAFE)**
- **12 local villages** and **2,200 households**
- **Hydroponic technology** to **grow a variety of seasonal crops** in grow bags, **fed by solar power** and a **small irrigation unit which removes saltwater** from the process
- **Designed to work alongside fish and crab farming** and **support the restoration of embankments** in flooded area
- **Farmers can make the floats themselves** which are **multi-purpose**

Thank You

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