

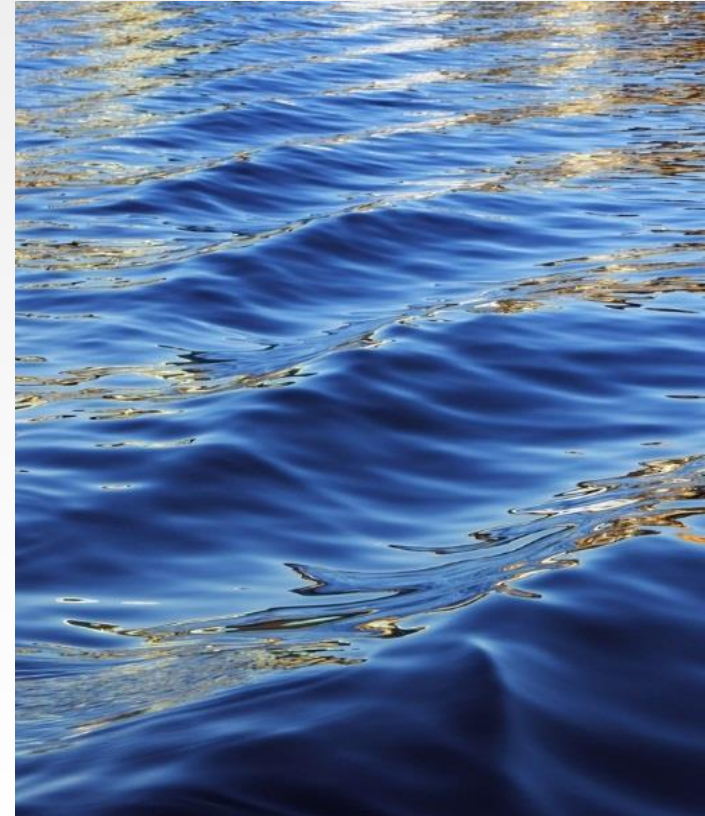


ADAPTATION FUND

**Second workshop on addressing
loss and damage in the context of
decisions 2/CP.27 and 2/CMA.4**

Bangkok, Thailand – July 16, 2023

Mahamat Assouyouti, Sr Climate Change
Specialist



Adaptation Fund perspectives on new funding arrangements for LnD



- AF has supported EWS/DRR over last 15 years and ready to expand its support in the context of MTS2
- Scaling up current LnD requires additional and predictable funding

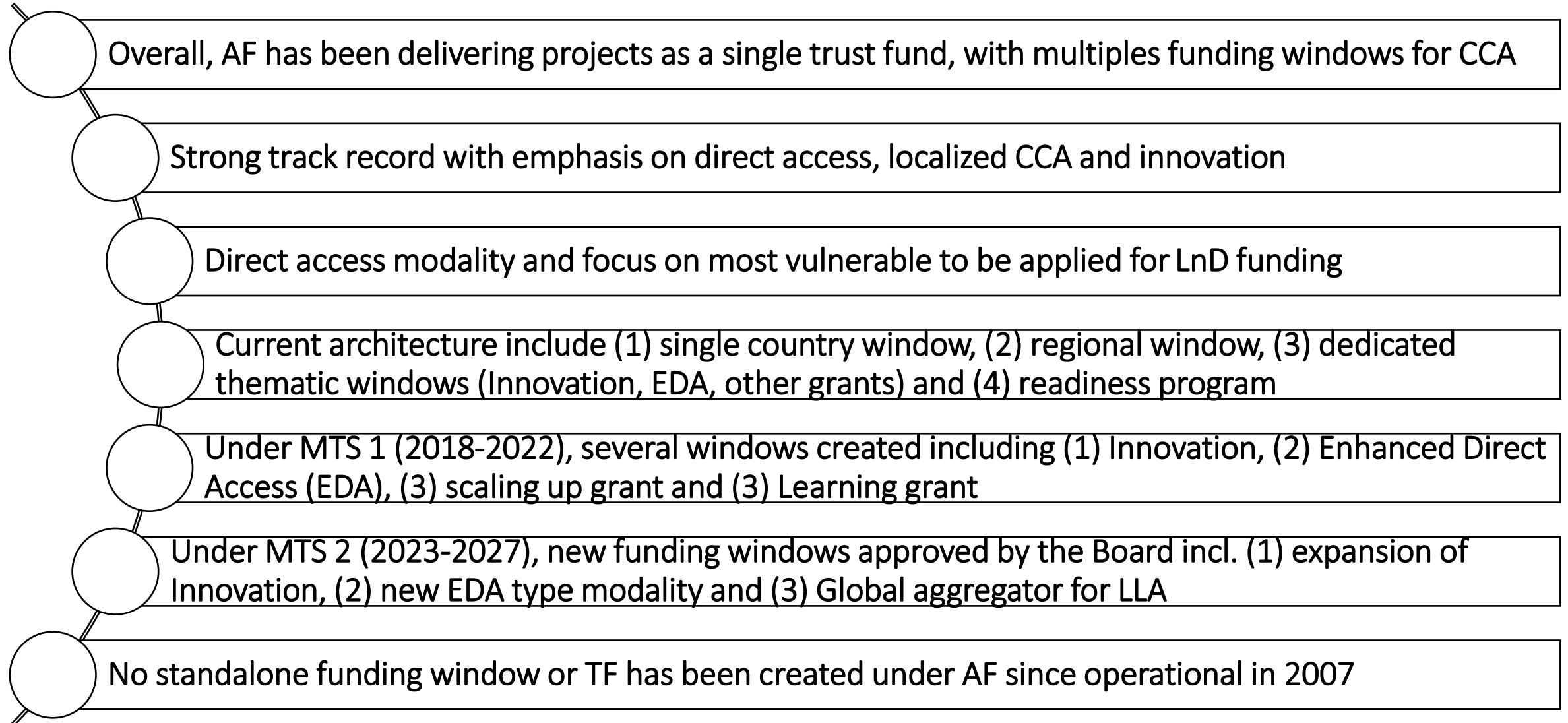


- New funding arrangements for LnD possible under AF with some conditions
- Two options possible with different timeline for setting up new funding arrangement



- CMA or Board decision required for operationalization of new arrangements – (1) New funding window or (2) standalone trust fund

Adaptation Fund overall experience on LnD – Current operational modalities



Adaptation Fund funding windows under MTS-2

ACTION

Single-Country Projects (within country cap) (NIEs/RIEs/MIEs)
Increased impact & delivery through direct access

Regional Projects/ Programmes (RIEs/MIEs)
Enhanced scope & effectiveness, incl. relevant sectors and themes

Modalities / Facility for Locally Led Adaptation

Existing EDA (NIEs)	New EDA type modality (MIE/RIE)	Global Aggregator (Non-accredited entities through MIEs)
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INNOVATION

Small grants for innovation (NIEs)
Simplify access & allow for bundling with other small grants

Large grants for innovation (NIE/RIE/MIE)
Develop options for enhanced risk-taking

AF Climate Innovation Accelerator (AFCIA)
Non-accredited entities through MIEs (LLA type)
Expand through existing & additional delivery partners

LEARNING & SHARING

Learning grants (NIEs)
Increase funding amount & scope to include learning within AF NIE portfolio

Learning grants for RIEs/MIEs
To develop joint studies with AF on best practices etc.

Increase production, dissemination and visibility of Fund's KM and learning products on emerging areas in adaptation, incl. innovation, gender, LLA etc.

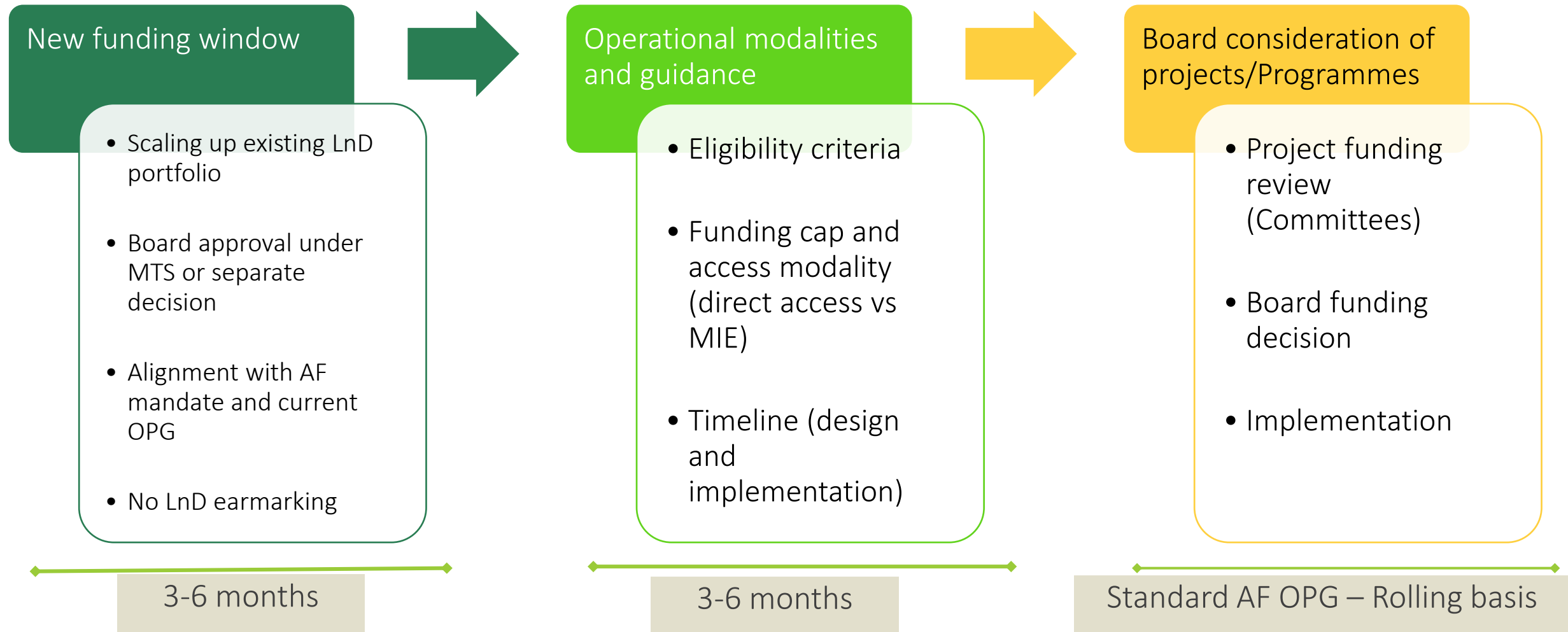
ENHANCED READINESS PROGRAMME

Incl. Readiness Package Grants, TA Grants for ESP & GP, Project scale up grants

What precise steps will need to be followed in order to operationalize a new funding arrangement for addressing loss and damage within your institution? 1/2

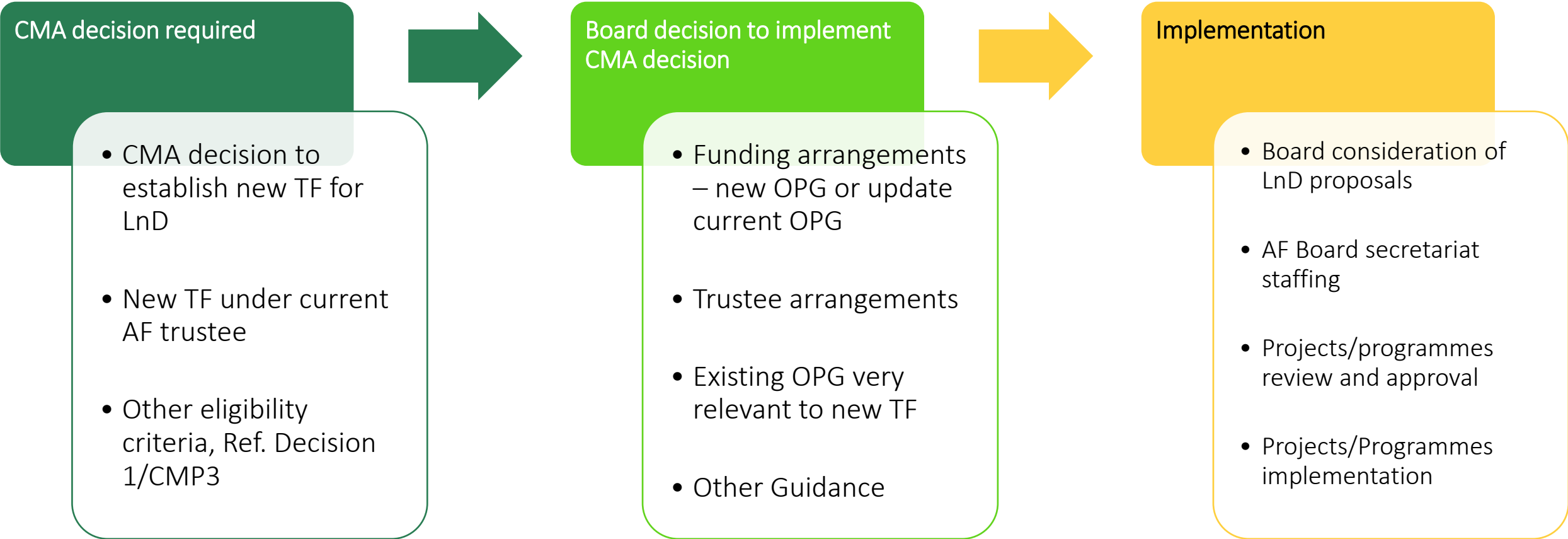
Fundamental question : Funding arrangements option within AF depends on whether financial resources for LnD are earmarked or not – CMA decision

OPTION 1 – New Funding window within existing AF mandate and OPG



What precise steps will need to be followed in order to operationalize a new funding arrangement for addressing loss and damage within your institution? 2/2

OPTION 2 – New Trust Fund for LnD



No estimated or indicative timeline but longer timeframe than OPTION 1

What key factors will influence the feasibility and sustainability of a new funding arrangement within your institution?


- AF currently supporting LnD under CCA portfolio – opportunities for further expansion and complementarity
- AF current operating modalities including instruments (grant only), access modality (Funding cap, country endorsement and IEs) and implementation arrangements (project/programme-based approach)
- Two options for channeling funding for LnD related activities within AF – Funding window or standalone separate trust fund – Need for mandate from Board (window) or CMA (new trust fund)
- Option 1 vs Option 2 depends on whether funding is earmarked for LnD or not – CMA decision
- If allocation of funding for LnD entrusted with AFB, existing AF modalities (OPG) in place to expedite such window
- If funding allocation for LnD decided by CMA as standalone and earmarked, new TF required; managed by AFB and serviced by AFB secretariat
- Sustainability of either options requires significant resource mobilization incl. modalities to be decided by parties (CMA)

Thank you!



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Mahamat Assouyouti 

massouyouti@adaptation-fund.org 

www.adaptation-fund.org 