Session 8: Overview of existing adaptation finance entry points for NAPs and emerging sources

Accessing Adaptation Fund Resources
Overview: Established under Kyoto Protocol, to “assist developing country Parties that are particularly vulnerable to the adverse effects of climate change”.

Key achievements since becoming operational in 2010:

- Fully-operational Direct Access modality for Adaptation Finance
- Approved US$ 226M of grant funding for adaptation projects, programmes in 34 countries and endorsement of 9 concepts leading to preparing fully-developed proposals for 6 countries
- Performance-based annual disbursements ensures accountability and focus on results
- Ranked #1 for transparency among climate funds assessed by IATI Index ¹

¹ http://www.publishwhatyoufund.org/index/2012-index/
3. Governance: The Adaptation Fund Board comprises a balanced and equitable representation of developing and developed countries

- 16 members and 16 alternates
  - 2 UN regions
  - 1 Small Island Developing States
  - 1 Least Developed Countries (UN definition)
  - 2 Annex I Parties
  - 2 non-Annex I Parties

4. Institutional Arrangements: The Board reports to the CMP, and is serviced by an interim trustee and secretariat
Supporting LDCs to advance their National Adaptation Plans

Africa Regional Training Workshop (Anglophone)

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Resources: The Adaptation Fund is financed by a combination of voluntary contributions and Certified Emission Reductions (CERs).

- Income from CERs\(^1\): $189.9M
- Funds approved for projects, programmes, preparation \(^2\): $225.8M
- Funds available to countries: $172.5M

\(^1\) = 31 December 2013  
\(^2\) = 31 March 2014
6 Supporting LDCs to advance their National Adaptation Plans

Accessing Resources: Countries can access project/programme funds through accredited National, Regional or Multilateral Implementing Entities

To become accredited, entities must comply with:

**Fiduciary Standards:**
- Financial management and integrity
- Institutional capacity
- Transparency, self-investigative powers, anti-corruption measures

**Environmental & Social Principles.**

Countries can use the following entities to apply for funding:

16 National Implementing Entities (NIE):

4 Regional Implementing Entities (RIE)
- West African Development Bank (BOAD),
- Latin American Development Bank (CAF),
- Sahel and Sahara Observatory (OSS),
- Sec. of Pacific Regional Environment Program (SPREP)

11 Multilateral Implementing Entities (MIE):
- ADB, AfDB, EBRD, IADB, IFAD, UNDP, UNEP,
- UNESCO, WFP, WMO, World Bank

All developing countries are eligible to access AF resources.
Direct Access gives countries a new opportunity to take full responsibility over implementation of their own adaptation priorities

- National Implementing Entities (NIEs) take on full responsibility for fiduciary risk management and project/programme supervision (without multilateral intermediaries)

- Prepares countries for accessing other funds directly (e.g. Green Climate Fund) and builds upstream capacity building through process of “learning by doing”

- Reduced lag time from approval to project implementation - NIEs generally faster than MIEs

- Adaptation Fund Board has reserved 50 per cent of all resources for NIEs

One third of NIEs are from Least Developed Countries (LDCs) or Small Island Developing States (SIDs)
To date, 34 countries have accessed a total of US$ 226 million for concrete adaptation projects/programmes & preparation support to NIEs. See interactive map: www.adaptation-fund.org
What are Adaptation Fund resources used for?

- AF finances projects/programmes whose explicit aim is to **adapt and increase climate resilience**
- Projects/programmes have to be **concrete** with “visible and tangible impacts”
- Particular attention on benefits for the **most vulnerable communities**, who participate in consultative process during project preparation
- Accommodation of different country circumstances: **no prescribed sectors/approaches**
- **All developing countries eligible** for up to US$ 10 million in grant finance, including $30,000 for NIE project formulation support
### All LDCs can use Adaptation Fund funding to contribute to their NAP processes

<table>
<thead>
<tr>
<th>Element of NAP process</th>
<th>Relevant Adaptation Fund processes</th>
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<tr>
<td>A Laying the groundwork</td>
<td>• Addressing capacity gaps through ‘Readiness Programme for Climate Finance’</td>
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<td></td>
<td>• Direct Access by LDCs to grant financing for concrete adaptation measures</td>
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<td>B Preparatory elements</td>
<td>• Clear stakeholder engagement and consultations for every intervention</td>
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<td>• Through Direct access, countries benefit from strengthening institutional and regulatory frameworks – beneficial in accessing/managing climate finance</td>
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<tr>
<td>C Implementation strategies</td>
<td>• assessment of institutional arrangements, programmes, policies and capacities for overall coordination and leadership on adaptation</td>
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<td>• LDCs can take the lead on implementation through Direct Access</td>
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<tr>
<td>D Reporting and review</td>
<td>• AF results framework provides guidance on reporting, monitoring, and evaluation helping to strengthen strategic planning, learning and accountability</td>
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