



ADAPTATION FUND

AFB/B.23/5  
21 February 2014

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Adaptation Fund Board  
Twenty-third Meeting  
Bonn, Germany, 20-21 March 2014

Agenda item 9 b)

**PROGRAMME TO SUPPORT READINESS FOR DIRECT  
ACCESS TO CLIMATE FINANCE FOR NATIONAL AND  
REGIONAL IMPLEMENTING ENTITIES**

EXECUTION ARRANGEMENTS, CRITERIA, ELIGIBILITY CRITERIA FOR  
ALLOCATION OF FUNDS TO ACCREDITED IMPLEMENTING ENTITIES FOR  
SPECIFIC ACTIVITIES, AND TIMELINE OF ACTIVITIES

## Background

1. The Adaptation Fund Board (the Board) discussed at its twenty-first meeting the need for a range of capacity enhancement measures, ranging from support in the identification of potential National Implementing Entities (NIEs) within a country through to strengthening the appraisal, design, implementation, and monitoring of adaptation projects and programmes undertaken by NIEs and Regional Implementing Entities (RIEs). Subsequently, the following decision was approved by the Board:

*Having considered the comments and recommendations of the Accreditation Panel and the Project and Programme Review Committee, and recognizing the need for a programme to support readiness for direct access to climate finance for national and regional implementing entities, the Board decided to request the secretariat to prepare a document containing options for such a programme for the twenty-second meeting. This document should include options for increasing (i) the preparedness of applicant national implementing entities seeking accreditation by the Adaptation Fund and (ii) the number of high quality project/programme proposals submitted to the Board within a reasonable time period after accreditation.*

**(Decision B.21/28)**

2. In response to the decision above, the Adaptation Fund Board secretariat (the secretariat) had prepared document AFB/B.22/6 which outlined the possible elements and options for a phased Programme to Support Readiness for Direct Access to Climate Finance for National and Regional Implementing Entities and presented a framework and budget for a first phase of the Programme. Following a discussion of the document, the Board decided to:

- (a) *Approve Phase I of the Readiness Programme as detailed in document AFB/B.22/6, on the basis that it would follow performance-based funding principles;*
- (b) *Take note of the options provided by the secretariat on a programme to support readiness for direct access to climate finance for national and regional implementing entities;*
- (c) *Request the secretariat to submit to the Board intersessionally between the twenty-second and twenty-third meetings, execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities, with a view to start implementing the programme before the twenty-third Board meeting; and*
- (d) *Approve an increase in the Administrative Budget of the Board, secretariat and trustee for FY2014 of US\$ 467,000 for the programme described in AFB/B.22/6, and authorize the trustee to transfer such amount to the secretariat and request the trustee to set aside the balance amount of US\$ 503,000 from the Adaptation Fund Trust Fund resources for subsequent commitment and transfer at the instruction of the Board.*

**(Decision B.22/24)**

3. As requested by the Board under paragraph (c) of the decision above, an earlier version of this document was circulated to the Board during the intersessional period between the twenty-second and twenty-third meetings. The secretariat received comments by members, which have been incorporated into this document. The incoming and outgoing Chair however, felt that the document would benefit from further discussion at the twenty-third Board meeting and the Board so agreed. Therefore the secretariat incorporated comments by members and is presenting this revised version of the document for consideration by the Board. As further requested by the decision above, the present document outlines the execution arrangements, criteria, eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities under the approved Programme. All activities will be implemented either by implementing entities (IEs) accredited by the Board, or by the secretariat according to respective policies and procedures. As mandated by the above mentioned decision, the secretariat has started preparatory work in January 2014.

The Board may wish to:

- (a) Approve the execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, and timeline of activities under the Readiness Programme, as contained in document AFB/B.23/5 and
- (b) Request the secretariat to proceed with the implementation of the programme in accordance with the approved criteria.

## **Outline of Programme activities, including execution arrangements and selection/eligibility criteria for the beneficiaries and partners**

4. As presented in document AFB/B.22/6, the following activities will be implemented under the Programme.

### ***Component 1: Increased capacity of national and regional entities to meet the Fund's fiduciary standards and comply with the environmental and social policy of the Fund***

#### ***Output 1.1. Increased effective NIE or RIE applications received***

5. A number of activities will be undertaken within this component to encourage NIE and/or RIE candidates to apply and to assist applicants to meet the Fund's fiduciary standards and manage environmental and social risks within projects, in accordance with the Fund's environmental and social policy. These include:

(a) Update online toolkit: Improvements will include: (i) taking stock of utility and areas for improvement (ii) integrating lessons learned from the past three years since the toolkit was originally developed and (ii) making changes associated with the approval of the Fund's environmental and social policy.

(b) Develop technical case studies for use by applicant entities: In coordination with the Accreditation Panel, identify common areas of difficulty or success in meeting the Fund's fiduciary standards and develop case studies for how these may be addressed.

(c) Regional workshops: The development of the content of the workshops and input will be managed by the secretariat in coordination with the Accreditation Panel and other experts as needed. To ensure cost savings and target the largest potential applicants possible, the workshops will be implemented in partnership with other organizations, especially those already providing assistance to countries in attaining accreditation as NIEs. The secretariat will undertake a screening of existing initiatives and will engage with potential partner institutions that will be identified. This includes, but is not limited to, bilateral and multilateral agencies such as the United Nations Environmental Programme (UNEP)<sup>1</sup>, the United Nations Development Programme (UNDP)<sup>2</sup>, the German Society for International Cooperation (GIZ)<sup>3</sup>, the USAID "Adaptation Asia-Pacific" Project and the Ministry of Environment of Japan<sup>4</sup>, and the Green Climate Fund (GCF) secretariat<sup>5</sup>, as well as international networks such as the Climate & Development Knowledge Network<sup>6</sup>.

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<sup>1</sup> UNEP's Direct Access Support Programme and Services

<http://www.unep.org/climatechange/adaptation/AccessToAdaptationFinance/UDASP/DirectAccessSupportProgrammeandServices.aspx>

<sup>2</sup> UNDP Strengthening National Institutional Capacities for Direct Access to Climate Finance

[https://www.adaptation-fund.org/sites/default/files/Ms.%20Colon%20UNDP\\_0.pdf](https://www.adaptation-fund.org/sites/default/files/Ms.%20Colon%20UNDP_0.pdf)

<sup>3</sup> GIZ Capacity development for direct access to climate finance <http://www.giz.de/Themen/en/dokumente/giz2012-en-climate-finance-capacity-development.pdf>

<sup>4</sup> In collaboration with UNEP, through the "Build Readiness and Project Formulation for Direct Access in Asia and the Pacific" project – (in Japanese) <https://www.adaptation-fund.org/sites/default/files/file/DAJapanese.pdf>

<sup>5</sup> The GCF will launch, as part of its activities, a Programme of Work on Readiness and Preparatory Support, the details of which will be presented at the sixth meeting of the GCF Board, in February 2014.

<sup>6</sup> [http://cdkn.org/themes/theme-climate-finance/?loclang=en\\_gb](http://cdkn.org/themes/theme-climate-finance/?loclang=en_gb)

*Execution arrangements*

6. These activities will be implemented by the secretariat with support from the Accreditation Panel. For undertaking the workshops, the Board will sign memoranda of understanding with identified institutions which are already providing assistance, to share the costs and co-organize new or already scheduled workshops to support NIE accreditation. The secretariat will be responsible for contracting, payment and all other arrangements according to the policies and procedures applicable to the secretariat.

*Selection criteria*

7. Partner institutions will be identified by the secretariat, with an aim to ensure the effectiveness and efficiency of the workshops and their relevance to Adaptation Fund's accreditation process according to, inter alia, the following guiding criteria:

- Cost effectiveness: willingness to share the burden of the costs and the logistics,
- Country ownership: The programme is not predefining or prejudging on any specific type of NIE candidate.
- Ability to be contracted and/or receive payments by the secretariat/World Bank

*Output 1.2. Improved cooperation with multilateral and bilateral organizations currently providing accreditation support to national or regional institutions*

8. A readiness seminar will be organized by the secretariat, at its headquarters in Washington DC, targeting multilateral and bilateral organizations already supporting NIE/RIE candidates to get accredited, including already accredited NIE with tangible achievements with the Fund. Participants will receive training/guidance and may be given the opportunity to present case studies of their work in this realm. The Accreditation Panel experts will participate in the event as resource persons. The secretariat may seek partnerships for sharing or peer reviewing training materials. As a product of the seminar, the secretariat will develop sample ToRs for expert consultants to use when supporting countries in getting accreditation.

9. In addition, the secretariat may collaborate with other institutions to organize webinars.

*Execution arrangements*

10. This activity will be implemented by the secretariat. A call for participants will be circulated. Participants will be expected to cover their travel and accommodation costs. The secretariat and the Accreditation Panel experts will prepare guidance materials and case studies from the Adaptation Fund's perspective and participants will be expected to share their experience and details of their programs. The secretariat may seek partnerships for sharing or peer reviewing training materials, and co-organizing webinars.

*Eligibility criteria*

11. Targeted institutions are those that are currently engaged in readiness support for accessing climate finance. Priority will be given to those organizations that are either supporting or are willing to support countries in (i) identifying NIE candidates, (ii) assessing or addressing

capacity gaps of identified candidates, or (iii) preparing accreditation applications to be submitted to the Accreditation Panel.

*Output 1.3. Increased South-South cooperation through accredited NIE support to countries*

12. To build national entities' readiness to access adaptation resources, eligible accredited implementing entities will apply for grants to assist countries in (i) identifying potential NIE candidates and/or (ii) preparing an application for NIE candidates to be submitted to the Accreditation Panel and/or (iii) continuous support during the application process. It is expected that that peer support will effectively help build national capacity and sustainability. A short application template is provided as Annex 1 of this document. A call for proposals will be circulated to eligible entities.

*Implementation arrangements*

13. The grants will be implemented by the selected implementing entities. The secretariat will vet the applications taking into account the efficiency and effectiveness of the proposal and submit a recommendation to the PPRC for approval of funding to the Board, in session. If approved, the Board will enter into a legal agreement with the IE and request the Trustee to transfer funds from the Adaptation Fund Trust Fund to the IE. The secretariat will monitor the progress of the grants implementation as part of the overall monitoring of the Readiness Programme.

*Eligibility and selection criteria*

13. Eligible entities will be those with tangible achievements with the Fund. This includes entities:

- that have been successfully accredited by the Board as a NIE or RIE, and
- that have experience in participating in, or organizing support to other NIE candidates, and/or
- that have already submitted a successful proposal or are currently implementing an Adaptation Fund project or programme.

14. The selection will be based on the experience of the entity with the Adaptation Fund, its experience in supporting other countries at different stages of their application process

***Component 2: Increased capacity of accredited national and regional organizations to undertake appraisals of and assess risks within adaptation projects/programmes***

*Output 2.1. Quality adaptation project and programme proposals are submitted to the Board by NIEs/RIEs*

15. The secretariat will organize up to two Adaptation Fund Introduction Seminars for all accredited NIEs/RIEs, during which training will be provided on project proposal preparation and environmental and social risk management. The seminars will also allow the NIE/RIE representatives to familiarize themselves with the Fund's procedures, operational policies and guidelines, including guidelines for preparing project performance reports, the

project/programme delay policy and the guidelines for project final evaluations. A possibility of organizing webinars will also be explored.

*Execution arrangements*

16. This activity will be implemented by the secretariat, potentially at its premises in Washington DC. Resource persons for the seminars will include secretariat staff, Accreditation Panel expert members, and potentially short term consultants on environmental and social safeguards.

*Eligibility criteria*

17. All accredited Implementing Entities will be invited. The Programme budget will cover the costs of travel and accommodation for the NIEs only, in accordance with the policies and procedures applicable to the secretariat. RIEs and MIEs will cover their own costs.

Output 2.2. Accredited NIEs and RIEs are able to assess and manage environmental and social risks within projects/programmes

18. In addition to the training session on the Fund's Environmental and Social Policy during the Introduction seminars under output 2.1, more targeted technical assistance will be provided to a sub-set of accredited entities, where such a need is identified, to improve their capability to comply with the Fund's policy. Some entities may need assistance in developing or strengthening a particular function relevant to the environmental and social policy, i.e. environmental and social management system, risk management system, or familiarization with the principles of the environmental and social policy.

19. The entities could be provided with support for:

- a) Development of procedures, manual(s) and guidelines for screening projects for environmental and social risks;
- b) Development of procedures, manual(s) and guidelines for undertaking project environmental and social risk assessment and for formulating risk management plans;
- c) Development of a policy/avenues for public disclosure and consultation;
- d) Development of transparent and effective mechanisms for receiving and resolving complaints about environmental and social harms caused by projects/programs during the course of implementation of AF supported projects/programs; and
- e) Training of select entity staff to carry out the underlined tasks above based on procedures, manuals/guidelines/mechanisms developed by consultants in (a), (b) and (d) above.

*Execution arrangements*

20. A call for requests for assistance will be launched by the secretariat. A request template is available as Annex 2 to this document, including areas of support needed and a budget. Assistance needs of the applicant NIEs will be assessed by the secretariat, with support from a short-term consultant, expert in environmental and social safeguards [or the expert of the

Accreditation Panel with a background in environmental and social safeguards]. Following the review of the requests, the secretariat will transmit to the Board its recommendation for approval of selected entities. If approved, the Board will sign an agreement with the NIE and will instruct the Trustee to transfer the requested funding to the entity. The NIE will be responsible for recruiting the consultant/consulting firm needed to support them for their compliance with the Fund's policy.

21. To ensure cost effectiveness and wide geographic coverage, the secretariat will initially engage with three selected NIEs, from a English-, Spanish- and French-speaking country, respectively, to ensure the development of procedures, manuals and guidelines related to the Environmental and Social Policy. These documents will be shared with other supported entities in countries using the same language and will also be made available in the Fund website for wide use. For the development of public disclosure policies and the staff training activities, cost effectiveness will also be sought as much as possible, through the development of harmonized procedures that can be disseminated among entities. This activity is expected to be undertaken after the Introduction seminar, which will already familiarize the entities with the Environmental and Social Policy.

#### *Eligibility and selection criteria*

22. All accredited NIEs are eligible for support. The selection of NIEs to be supported will be based on the relevance of the gap assessment and capacity needs, as well as the quality of the request document. The budget requested should not exceed 20,000 USD, except for the three selected entities which will bear additional costs related to the production of manual/guidelines in the three languages mentioned above.

### ***Component 3: Improved knowledge, knowledge sharing, and skills for accessing adaptation finance***

#### ***Output 3.1. The Adaptation Fund Finance Readiness knowledge exchange becomes a major source for acquisition and sharing of knowledge, experience and tools by NIEs and RIEs to enable their efficient access to adaptation finance***

23. The Programme will support the development of an Adaptation Finance Readiness knowledge exchange that will play a major role in disseminating knowledge and tools to enable access to adaptation finance. Knowledge products and tools would include: all relevant documents, case studies (on projects and accreditation process), multimedia posts; webinars with experts; peer to peer mentoring network that will link those who have been through specific steps of adaptation financing and project cycles with those needing advice/insights or technical expertise.

#### *Execution arrangements*

24. The secretariat will determine whether it is more effective, from cost and sustainability perspectives, to partner with an existing knowledge management digital platform, or build its own. It will then execute the most appropriate arrangement.

Output 3.2. Increased awareness of the Adaptation Fund direct access modality through media coverage

25. In order to reach out to a wide audience, the Programme will help intensify the secretariat's ongoing outreach through traditional and digital media and will work to make relevant media aware of the Fund direct access and capacity building.

5. The table below outlines the framework for the two-year phase 1 of an Adaptation Fund Readiness Programme with a budget of US \$970,000.

<b>Goal:</b> Increase the opportunity of developing country Parties to directly access climate adaptation finance to implement concrete projects and programmes that increase the resilience of vulnerable communities to the impacts of climate change			
<b>Impact:</b> Increased concrete adaptation undertaken in developing countries through direct access modality			
<b>Outcome</b>	<b>Output</b>	<b>Activity</b>	<b>Indicator /Target</b>
Outcome 1: Increased capacity of national and regional entities to meet the Fund's fiduciary standards	<p>Increased effective NIE/RIE applications received</p> <p>Improved cooperation with multilateral and bilateral organizations currently providing accreditation support to national or regional institutions</p> <p>Increased South-South cooperation through accredited NIE support to countries</p>	<p>Undertake regional workshops for interested NIE candidates, in partnership with organizations already providing support</p> <p>Prepare training/guidance materials and organize two or three training sessions for MIEs, bilaterals, and consultants supporting RIEs/NIEs for their accreditation</p> <p><i>Pilot south-south cooperation:</i> Provide small grants to selected accredited NIEs to develop and run workshops or provide one-on-one peer assistance</p>	<p>Outcome indicator: number of NIE applicants accredited / at least 8</p> <p>Output indicator: number of applicants that are accredited as a result of support by existing NIEs / at least 2</p>
Outcome 2: Increased capacity of accredited national and regional organizations to undertake appraisals of and assess risks within adaptation projects/programmes	<p>Quality adaptation project and programme proposals are submitted to the Board by NIEs/RIEs</p> <p>Accredited NIEs and RIEs are able to assess and manage environmental and social risks within projects/programmes</p>	<p>Organize AF Introduction Seminars for all accredited NIEs/RIEs, including training on environment and social risks assessment;</p> <p>Provide technical assistance to a subset of accredited entities related to compliance with the Fund's environmental and social policy.</p>	<p>Outcome Indicator: number of project/programme proposals prepared by NIEs/RIEs approved by the Board / at least 8</p> <p>Output indicator: number of quality fully developed project/programme proposals submitted by NIEs/RIEs to the Board / at least 10</p> <p>Output indicator: percentage of NIEs/RIEs able to comply with the Fund's environmental and social</p>

<p>Outcome 3: Improved knowledge, knowledge sharing, and skills for accessing adaptation finance, and ongoing outreach to wide audiences about the knowledge exchange platform and products</p>	<p>The Adaptation Finance Readiness knowledge exchange becomes a major source for acquisition and sharing of knowledge, experience and tools by NIEs and RIEs to enable their efficient access to adaptation finance</p> <p>Increased awareness of the Adaptation Fund direct access modality through digital outreach and media coverage</p>	<p>Develop an <i>Adaptation Finance Readiness knowledge exchange</i> that would include: all relevant documents, development of case studies (on projects and accreditation process), multimedia; webinars with experts; peer to peer mentoring network (linking those who have been through specific steps of adaptation financing and project cycles with those needing advice/insights, technical expertise, and/or wanting to share knowledge);</p> <p><i>General and Media Outreach:</i> ongoing outreach through traditional and digital media, and will work to make relevant media aware of Fund direct access and capacity building.</p>	<p>policy</p> <p>Outcome indicator: Improved understanding of the accreditation process and accessing the Fund's resources (as measured through surveys from workshops/trainings)</p> <p>Output indicator: survey results; no of visitors to the digital platform</p> <p>Output indicator: number of media mentions about the Adaptation Fund and direct access / at least 10</p>
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## II. Timeline of activities under the Programme

6. The table below presents an estimated timeline to implement the activities within two years.

Programme Outcomes	Activity	Year 1				Year 2			
		Jan-Mar 14	Apr-Jun 14	Jul-Sept 14	Oct-Dec 14	Jan-Mar 15	Apr-Jun 15	Jul-Sept 15	Oct-Dec 15
<b>Outcome 1:</b> Increased capacity of national and regional entities to meet the Fund's fiduciary standards	Outreach to Potential NIE/RIE Candidates								
	Cooperation and partnership programs with bilaterals and MIEs currently providing readiness support								
	South-South Capacity Building								
<b>Outcome 2:</b> Increased capacity of accredited national and regional organizations to undertake appraisals of and assess risks within adaptation projects or programmes	Introduction Seminars, training on E&S policy for all accredited NIEs/RIEs								
	Technical assistance to NIEs on environmental and social policy								
<b>Outcome 3:</b> Improved knowledge, knowledge sharing, and skills for accessing adaptation finance	Development of Adaptation Finance Readiness knowledge exchange								
	Awareness raising including media outreach								

**Annex 1: Template application for grant to support accreditation**

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**Application for a Grant to support NIE accreditation**

Submission Date:

Adaptation Fund Grant ID:

Country/ies:

Implementing Entity:

**A. Timeframe of Activity**

Start date of activity	
Completion date of activity	

**B. Experience in participating in, or organizing support to other NIE candidates**

Describe the type of support provided to other national institutions, relevant to the accreditation process

Year	Type of support provided	Outcome of the support	Country/institution supported

**C. Proposed activities to support NIE accreditation**

Describe the activities to be undertaken to support the accreditation of NIE candidate(s) in the target country(ies)

Proposed Support Activities	Expected Output of the Activities	Country/Institution to be Supported	Requested budget (USD)

Total Grant Requested (USD)			

**D. Implementing Entity**

This request has been prepared in accordance with the Adaptation Fund Board's procedures

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Implementing Entity Contact Person	Telephone	Email Address

**E. Record of request of support on behalf of the government**

Provide the name and position of the government official, Designated authority of the Adaptation Fund, and indicate date of endorsement. If the proposed support targets more than one country, list the officials requesting support for all the participating countries. The request letter(s) should be attached as an annex to the application.

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
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## Annex 2: Template of request for assistance in complying with the Fund's Environmental and Social Policy



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### Request for assistance in complying with the Fund's Environmental and Social Policy

Submission Date:

Adaptation Fund Grant ID:

Country/ies:

Implementing Entity:

#### A. Timeframe of Activity

Start date of activity	
Completion date of activity	

#### B. Type of support requested

Describe the activities to be undertaken to support the accreditation of NIE candidate(s) in the target country(ies)

Types of Support Activities	Support requested (please check the relevant case)	Type/name of provider of requested support <sup>7</sup>	Requested budget (USD)
Development of procedures manual/guidelines for screening projects for environmental and social risks			
Development of procedures manual/guidelines for undertaking project environmental and social risk assessment and for formulating risk management plans			
Development of a			

<sup>7</sup> Specify if it is an institution, consulting firm or individual consultant. When possible, provide the name of the institution, firm or individual identified or selected.

policy/avenues for public disclosure and consultation			
Development of transparent and effective mechanisms for receiving and resolving complaints about environmental and social harms caused projects/programs during the course of implementation of AF supported projects/programs			
Training of select entity staff to carry out the relevant tasks related to the implementation of the E&S Policy			
Other type of support requested (please describe)			
<b>Total Grant Requested (USD)</b>			

### C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Implementing Entity Contact Person	Telephone	Email Address

### D. Record of endorsement on behalf of the government

Provide the name and position of the government official, Designated Authority of the Adaptation Fund, and indicate date of endorsement. The endorsement letter should be attached as an annex to the request.

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
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