



ADAPTATION FUND

AFB/B.13/5  
February 23, 2011

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Adaptation Fund Board  
Thirteenth Meeting  
Bonn, March 17-18, 2011

Agenda item 10.

## **REPORT ON THE IMPLEMENTATION OF THE COMMUNICATIONS STRATEGY**

## I. Note by the Secretariat

1. At its ninth meeting, the Adaptation Fund Board considered commissioning the development of a communications and outreach strategy. After discussion,

*the Board decided to approve the terms of reference for a consultant to develop a communications strategy for the Adaptation Fund Board, as well as the budget estimates for the development of that communications strategy.*

**(Decision B.9/5)**

2. A consultant was hired to develop a proposal for the communications strategy that was presented at the 11<sup>th</sup> Board meeting. Subsequently, the Board considered proposals for the implementation of the communications strategy; in particular the development of communication tools to assist the Board in its outreach efforts:

*Following the discussion the Board decided to:*

- (a) Approve the “option B” contained in section XIII of the document AFB/B.11/8;*
- (b) Approve the budget for implementing the communications strategy as contained in “option B”, in paragraph (a) above;*
- (c) Request the secretariat to ensure that as part of the communications strategy a fact-sheet was developed to address the misconceptions that had been identified in the document AFB/B.11/8;*
- (d) Request the secretariat to consider ways to improve the existing handbook of the Adaptation Fund;*
- (e) Request the secretariat to organize a signing ceremony, either in Washington, D.C., or in Cancun, Mexico, at the time when the first memorandum of understanding between the Adaptation Fund Board and an Implementing Entity was ready for signature;*
- (f) Provide an hour of open discussion just prior to the closure of its twelfth meeting in order to allow the observers at that meeting to interact with the Board and make their views known; and*
- (g) Maintain an item dealing with the communications strategy on the agenda of its future meetings.*

**(Decision B.11/21)**

## **II. Implementation of the communications strategy**

3. Following the mandate by the Board, the secretariat hired the consultants' firm Edelman from November 1-December 31, 2010 to assist with preparing materials to disseminate the work of the Adaptation Fund Board and to strengthen its capacity for direct dialogue with countries and other stakeholders. The fact-sheets, proposed Adaptation Fund messages, and the final report prepared by Edelman on the outputs delivered and outcome of their work are contained within the Annex to this document.

4. Further, the secretariat is currently working on the review of the operational policies and guidelines that will be part of the new edition of the Handbook. The secretariat will report on progress at a future meeting of the Board.

5. The secretariat organized a signing ceremony in Washington D.C. when the Memorandum of Understanding between the Board and CSE, the implementing entity of the first approved direct access project, was ready for signature. The secretariat has already reported on this event at the 12<sup>th</sup> meeting.

6. The secretariat also made arrangements for a dialogue between the Board and civil society representatives during the 12<sup>th</sup> meeting, during which a presentation was made by Wetlands International. Organizations represented in the dialogue included Practical Action, Women's Environment and Development Organization (WEDO), and Local Governments for Sustainability (ICLEI). The dialogue was a notable opportunity for the Board to consider the perspectives and suggestions of members of civil society.

## **III. Recommendation**

7. The Board may wish to take note of the present report and the consultant's activity report as contained in the Annex, and consider additional measures to follow up on the communications priorities of the AF.

**To:** Marcia Levaggi, Christian Hofer, Shyla Raghav  
**From:** Meghan Blake, Josh Gardner, Abby Spring  
**Date:** December 21, 2010  
**Re:** Public Relations Activity Report – November 1, 2010 through December 31, 2010

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### **Purpose**

As our current contract with the Adaptation Fund (AF) comes to a close, we have prepared a comprehensive review of the work completed for the AF during the months of November and December 2010. Our activities focused on ensuring the AF was prepared for COP 16/CMP 6 with clear and concise messages that could resonate with a variety of audiences and developing a comprehensive toolkit for disseminating information about the AF to attendees and media.

For the purpose of this review, we have aligned the work we completed with the deliverables described within the signed statement of work (SOW). At the end of the memo, we have identified suggested next steps that will enable the AF to build upon the momentum of COP 16/CMP 6, increase funds and generate greater awareness of the AF and its efforts.

We look forward to the opportunity to further discuss your goals for 2011 and how we can work alongside you to achieve them.

### **Narrative and Message Development**

On November 11, Edelman conducted a Messaging Workshop to define strengths and opportunities that would enable the AF to engage a larger set of audiences.

- Hosted a 2.5-hour Messaging Workshop
- Reviewed an audit of the AF's current messaging which analyzed tone, audiences and areas for improvement
- Presented a Landscape Analysis that examined the tone and language used by other climate-focused groups to communicate with their audiences. This Landscape Analysis helped inform our recommendations for the direction of the message development
- Created an overarching narrative that addressed the strengths of the AF and framed the AF's capabilities in a way that sets it apart from other funds
- Developed three pillar messages, based on themes that became apparent during the Messaging Workshop, were developed to support the narrative and further define the AF's strengths and proof points for each pillar message to be used as talking points

### **Toolkit Development**

Edelman used the approved messaging to create a comprehensive toolkit containing a suite of materials tailored for all of the AF's audiences and designed to be distributed at media interviews, events and meetings with stakeholders. In addition to the development of the content for each part of the toolkit, we also engaged our graphics department to design a new template for the AF that highlighted the logo and presented information clearly. Toolkit items include:

- A fact sheet template
- A fact sheet about the Adaptation Fund
- Three fact sheets focused on each pillar message area (direct access, impact and innovation)

- A comprehensive Q&A that answered questions about the Adaptation Fund for a non-technical audience

*Please note:* While aligning the Accreditation Fact Sheet with the new messaging was part of the SOW, the document was already finalized for COP 16/CMP 6. We would be happy to review the document and ensure its content aligns with the new messaging.

### **Website Content Audit and Content Update**

In order to create cohesive messaging across all communication channels for the AF, we recognized the need to ensure the website content matched the toolkit content.

- Conducted an extensive review of current website content
- Provided comprehensive suggestions on how to integrate the new messaging, as well as content that should be added to make the site more up-to-date

### **COP 16 Support**

Our SOW offered two options for Edelman support at COP 16/CMP 6: 1) Media outreach support that included conducting media outreach from our D.C. office or 2) Press conference support that would include speaker identification and organization in addition to media outreach support. We agreed with the AF's decision to host a side event in lieu of a press conference, and aligned our efforts around a successful side event and extended media outreach throughout COP 16/CMP 6. That being said, the products delivered to the AF fell between the two support options. Below is a detailed breakdown of our efforts around COP 16/CMP 6.

### **Side Event Support**

- Created a press release to promote the results of the side event
- Worked with the Secretariat to prepare Farrukh as the key spokesperson for the AF and provided messaging documents to inform discussions and interviews
- Developed options outside of the side event to promote the AF
  - Promoted and secured Farrukh's participation as an expert for the "Cancun Insider" blog hosted by the *National Journal*
  - Wrote a post on behalf of Farrukh for the "Cancun Insider" blog hosted by the *National Journal* that encouraged greater attention on the AF's focus for COP 16/CMP 6
  - Developed an Op-ed on behalf of Farrukh that focused on the benefits of empowering developing countries in their efforts to adapt to climate change
  - Placed the Op-ed that Farrukh wrote in *The Guardian*
    - We worked with Damian Carrington at *The Guardian* to post the Op-ed that was written by Farrukh. The Op-ed was posted on December 1 on the Environment page - <http://www.guardian.co.uk/environment/cif-green/2010/dec/01/cancun-climate-change-summit-trust>
- Beyond the deliverables listed in the SOW, Edelman also:
  - Developed short remarks for Farrukh to use at the opening of the side event
  - Reviewed and printed invitations to the side event
  - Created a media advisory to use in advance of the side event

## Media Outreach

- Developed a media list of influential reporters who cover climate change, the negotiations and global environmental issues
- Reached out to more than 120 reporters four times each, both in advance of the event and after:
  - **11/29:** "Opportunity: 1-on-1's w/ Chair of Adaptation Fund Board at COP16"
    - Sent out basic information on the AF and provided interview opportunities
  - **12/2:** "MEDIA ADVISORY: ADAPTATION FUND TO DISCUSS DIRECT ACCESS FUNDING"
    - Sent out media advisory written by Edelman and offered interviews
  - **12/6:** "MEDIA ADVISORY: GERMAN GOV'T CONFERS LEGAL CAPACITY TO ADAPTATION FUND"
    - Sent out media advisory using information provided by Shyla and offered interviews
  - **12/8:** "Germany to Confer Legal Capacity on the Adaptation Fund Board"
    - Sent out press release written by Shyla and offered interviews
  - **12/16:** "PRESS RELEASE: NEW CHAIRS OF ADAPTATION FUND APPOINTED"
    - Sent out email focusing on post-Cancun efforts and where the AF aims to go in 2011 accompanied by the post-event press release. Offered interviews.
    - Sent release out via CSR wire
- Secured interest and/or interview requests from seven reporters
  - **Krista Larson, AP – South Africa**
    - Could not come to Cancun, but is interested in interviewing Farrukh at a later date
  - **James Murray, Business Green**
    - Working on another piece during Cancun, but would be interested in future announcements from the Adaptation Fund
  - **Fiona Harvey, *Financial Times***
    - She was very interested in interviewing Farrukh. Unfortunately, the demands of her editors forced her to write other stories while in Cancun. We will follow-up with her in January
  - **Dan Ilett, Greenbang**
    - Interested in speaking to Farrukh at a later date
  - **Bryan Walsh, *Time Magazine***
    - Wasn't able to travel to Cancun because he was working on another story. He would be interested in learning more about the Adaptation Fund and said to keep in contact
  - **Kate Sheppard, *Mother Jones Magazine***
    - We secured Kate's interest, which led to interviewing Farrukh on December 3. Her article was posted to Mother Jones on December 8.
    - Article Link: [http://motherjones.com/blue-marble/2010/12/funding-global-overhaul-climate?utm\\_source=twitterfeed&utm\\_medium=twitter&utm\\_campaign=Freed%3A+motherjones%2FTheBlueMarble+\(Mother+Jones+%7C+The+Blue+Marble](http://motherjones.com/blue-marble/2010/12/funding-global-overhaul-climate?utm_source=twitterfeed&utm_medium=twitter&utm_campaign=Freed%3A+motherjones%2FTheBlueMarble+(Mother+Jones+%7C+The+Blue+Marble)
  - **Lisa Friedman, E&E News**
    - We secured Lisa's interest and she requested an interview on December 8. Meera said she would schedule the interview.

### **Next Steps**

We believe that the AF is now well positioned to establish itself as a potential new model for international financing and can set an example for global action on climate change. Despite the success in Cancun, this is not the time to sit back. Now is the time to develop a strategic action plan that builds upon the recent momentum, showcases incoming AF leadership and secures funds from additional donors. We believe there are many opportunities in the next six months for the AF to further increase its presence in the media through interviews and op-eds, establish its unique perspective among thought leaders and build support among its key audiences. Below we have outlined some of our initial thoughts on how the AF can take its next steps forward. Upon further discussion, we can provide you with budget specifications depending on the path you'd like to take forward. We look forward to future opportunities to support the success of the Adaptation Fund.

### **Capitalizing on the Change in Leadership**

As Ana Fornells de Frutos, the new Chair of the Adaptation Fund Board, begins her leadership in March, the AF could leverage the change in leadership to engage with media and thought leaders. We can help the AF do this by aptly preparing her for media interviews, training her on the new messages, organizing desk-side briefings with media and securing speaking opportunities for her at key conferences.

- **Media Training:** Talking to the media can be daunting. We would suggest pairing the new Chair with one of our media experts here in D.C. for a 4-hour media training workshop that would teach her ways to navigate through tough questions and provide her with confidence and techniques to simply explain the complex processes part of the AF to reporters.
- **Organize “Thought Leadership” Tour in Europe:** As much of the donor funding is coming from European countries, it would be wise to further engage government representatives, NGOs and humanitarian organizations in conversation about the AF's efforts. Since the majority of European NGO work resides in Brussels, we would engage our Brussels office to help us organize meetings between the new Chair and key stakeholders. Additionally, we would organize interviews with environmental reporters with international influence for one-on-one briefings.
- **Building Awareness among Peers:** As a next step, we recommend taking greater advantage of existing internal media channels across the donor and multilateral family. For example, post one-on-one interviews with the new Chair on GEF and World Bank websites.
- **Op-Ed Placement:** With the change in leadership comes an opportunity to have the new Chair create a presence within the media. After interviewing the new Chair, we would develop an op-ed on her behalf reflecting her interests and goals for the AF, as well as her perspective on the impact of climate change on the developing world. As the new Chair comes from a developed country that has provided a contribution to the AF, she has a voice of authority on the issue and can use the op-ed to elevate her thought leadership in this space.
- **Speaking Opportunities:** Seating the new AF Chair alongside other international thought leaders will help build the AF's credibility and name recognition. We will identify speaking opportunities for her throughout the year at top U.S. and international conferences and work to secure her participation.

### **Advocacy Plan**

To ensure each new approved project is promoted properly and to build awareness of the AF's efforts, we recommend building an advocacy blueprint that would provide a step-by-step

process for engaging media and stakeholders in each country in advance of the announcement. Using this blueprint as a guide, the AF would be able to successfully drive coverage and understanding of the project both within the country and to international media.

### **Proactive Media Opportunities**

- **Highlighting Milestones:** We can build proactive media opportunities by reaching out to international and regional media when the AF has announced funding for new projects, or reached milestones in its processes, including when 10 projects have received funding, or when 5 NIEs have been accredited.
- **Capitalizing on Global Weather Patterns and Current Events:** Although it does not present a positive backdrop for media engagement, by approaching reporters during catastrophic weather events, we can create a sense of urgency and highlight the impact climate change has on the severity of these natural disasters and the extent to which developing countries are suffering.

### **Website Overhaul**

While we have already provided suggestions on how to revise the existing content to integrate the new messaging, the AF should consider a website overhaul that will create a more user-friendly interface that's easy to navigate and explore. This would also be an opportunity to build a more engaging website that will inspire visitors to regularly check the website.

### **Entrance into Social Media**

In addition to creating a more engaging website, the AF should consider creating a Twitter account. Edelman would provide support by suggesting weekly tweets that highlight recent announcements and accomplishments, relevant news and encourage followers to view new content on the site.

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**To:** Marcia Levaggi, Christian Hofer  
**Cc:** Shyla Raghav  
**From:** Chris Hayes, Abby Spring, Amy Fox, Meghan Blake, Josh Gardner  
**Date:** November 16, 2010  
**Re:** Adaptation Fund Messages

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### **Purpose**

In the era of the seven-second sound bite and the 24 hour news cycle, there is steep competition for time and attention among the media, as well as your key audiences. Emphasis must be placed on efficiently delivering clear, concise, jargon-free messages. It is not only about getting the attention of your target audience, but making sure they understand the important role the Adaptation Fund plays in helping developing nations cope with the current and future impacts of climate change.

The messaging derived from the message workshop defines the Adaptation Fund's competitive advantages and serves as a platform for all of the Adaptation Fund's communications activities. This messaging platform serves as a guide for illustrating the Adaptation Fund's story and efforts to address climate change. We suggest that these messages be emphasized in all Adaptation Fund written and oral communication including fact sheets, website content, brochures, talking points, media pitches and elevator speeches.

We welcome your feedback on the messages presented below and look forward to finalizing them in the next few days.

### **Results of Landscape**

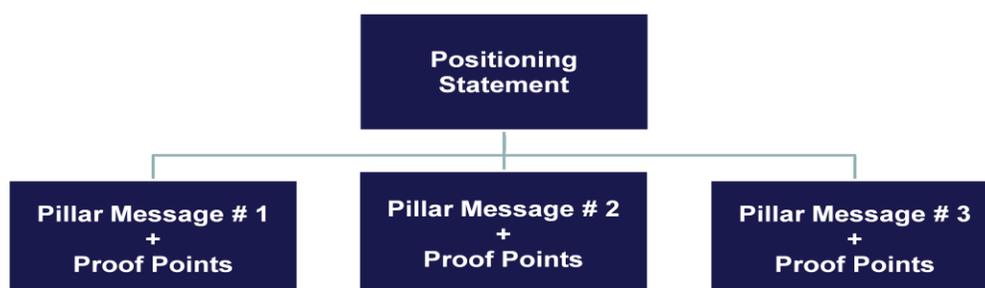
Our audit of the Adaptation Fund's messages, along with other organizations with similar objectives, showed us that messages were typically written in a formal tone and used language that was technical and filled with jargon. For us, that identified an opportunity for the Adaptation Fund to develop messaging that uses a conversational tone and would engage a more diverse set of stakeholders in the conversation around climate change. The following outlines Edelman's strategic assessment, based on the message workshop and competitor audit, for the positioning language and pillar messages:

- Tell the story of the people impacted by climate change and how the Adaptation Fund addresses the needs of people living in those communities
- Illustrate the Adaptation Fund's unique method of responding to requests from developing nations to be more involved with climate adaptation projects funded within their countries
- Emphasize the rigor and innovative nature behind the Adaptation Fund's funding mechanisms and efforts to bring both developing and developed nations to the table

### **Messaging Structure**

Through the Message Workshop, we were able to gather insight from you on the Adaptation Fund's top issue areas, strengths, key audiences and where its message needed to better developed. Using this information, we developed the two key components of a sound messaging structure: the positioning statement and the pillar messages.

- Positioning Statement - The positioning statement serves as the basis of the Adaptation Fund's messaging platform. An effective positioning statement provides a strong, emotive overview of the purpose of the organization, why the organization is important and highlights key issues. Another important piece of a positioning statement is the inclusion of measurable proof points or facts.
- Pillar Messages - Pillar messages elaborate on the positioning statement. Focusing the Adaptation Fund's pillar messages around three key issues regarding the impacts of climate change, the benefits of direct access and the innovative features of the Fund is critical to shaping the perceptions of the Adaptation Fund's target audiences.



### **Positioning Statement**

From the islands of the Pacific to sub-Saharan Africa, climate change is a daily reality affecting more than 300 million people. Exhausted water sources are leaving once fertile lands arid and increased flooding and rising sea levels are forcing people to abandon their homes and livelihoods. Developing nations contribute the least to climate change, yet experience the greatest impacts and are rarely given a voice in addressing the challenges they face. Their voices must be heard, and the programs that help them confront these devastating problems must be executed efficiently, strategically and locally.

The Adaptation Fund helps developing nations secure funding to implement innovative solutions that reduce the economic and environmental pressures caused by climate change. Our unique structure ensures the growth of available funds and enables developing nations to access funding directly and effectively. Already, funds are being used to rebuild eroded coastlines and manage critical water supplies.

*By recognizing the needs of those who are being impacted today, we can improve the lives of millions tomorrow.*

## **Pillar Messages and Proof Points**

**Impact** – The Adaptation Fund supports the efforts of developing nations to address current and future challenges resulting from climate change.

- *Proof for Developed Countries* - The Adaptation Fund was created at a critical juncture when as negotiations continue, climate change is impacting 300 million people and costing the global economy \$125 billion every year.
- *Proof for Developing Nations* - The impacts of climate change are very specific to the region, and adaptation projects need to be tailored to best address those particular challenges. For example, we are supporting a project in Senegal that is creating reinforced coastlines to address rising sea levels that threaten seaside towns. In Honduras, we are helping with efforts to manage water supplies for villages that don't have a reliable water delivery infrastructure in place.
- *Proof for Civil Society Organizations* - The number of countries applying for funding is increasing. In 2010, we reviewed more than 32 project proposals from 20 countries all feeling the impact of climate change. Projects ranged from addressing water management to rebuilding coastlines. We expect to see even more applications in 2011.

**Access** – The Adaptation Fund's direct access funding option empowers developing nations to determine the projects that best address their national climate strategies and own the success of their project's outcome.

- *Proof for Developing Nations* - Direct access funding empowers developing countries to determine appropriate projects to solve local climate change impacts. They can nominate a National Implementing Entity (NIE) to endorse proposals on their behalf and are the direct recipients of any resulting funding.
- *Proof for Developing Nations* - We continue to encourage countries to apply for NIE status. The Adaptation Fund does not require developing countries to pay for the application process, thus making NIE status readily attainable. To date, we have approved three NIEs representing Senegal, Jamaica and Uruguay.
- *Proof for Developing Nations* – While funds can still be secured through traditional means using a multilateral implementing entity, the direct access option can be more efficient by increasing the speed at which projects are approved and funds are distributed.
- *Proof for Developing Nations* - Developing nations are making a commitment to complete projects aligned with their national climate adaptation strategies. By using NIEs, financing opportunities and ownership responsibilities for developing nations increase, making implementation more effective.
- *Proof for Developed Countries* - We maintain proper policies and procedures, emphasize transparency, and ensure equitable distribution of funds. Our system includes a thoughtful review process of all projects and a six-month progress report requirement for all projects receiving funding. As we move forward, we aim to identify geographically-diverse projects that address both the long- and short-term impacts of climate change.
- *Proof for Developed Countries* – The Adaptation Fund's process for approving and funding proposals submitted by developing nations is steadfast, and developed nations have faith in the system. Developed nations on our Board participated in the creation of the policies and procedures that not only make the funding process more efficient, but also ensure the reporting processes are effective in verifying the money is used for its

intended purpose. Our Board Members have shown further support and faith in this funding option by making bilateral donations on behalf of their countries to the Adaptation Fund.

***Innovation*** – The Adaptation Fund has a unique structure that secures the availability of funds through an international agreement and ensures balanced representation among developed and developing countries.

- *Proof for Developed Countries* – The costs of climate change are growing exponentially, but the Adaptation Fund provides a new roadmap for future international funds. We are the first fund to be financed by a truly international revenue source that exists because of an internationally agreed climate policy framework. By being registered under the Clean Development Mechanism (CDM), we channel 2 percent of the proceeds generated by emission reduction certificates directly into our fund. In addition to bilateral donations, this revolutionary system could help us raise nearly \$400 million by 2012 to support the adaptation needs of developing nations.
- *Proof for Developing Nations* - Developed and developing nations take a shared responsibility for the success of the Adaptation Fund's efforts. The majority of our Board comes from developing nations, but developed nations also have a strong voice at the table. The Board Members have diverse expertise in policy development, technical expertise and climate change adaptation. By joining the shared expertise of the Board with that of the developing countries, we identify innovative projects that best address each country's immediate and future needs.
- *Proof for Civil Society Organizations* – As represented by the growing plant featured in our logo, we are just starting our journey to develop into a fund that is meaningful, effective and beneficial for communities around the world. By using innovative funding systems, engaging civil society at all levels, and involving the countries most impacted by climate change, we have the opportunity to demonstrate the magnitude of benefits that the investment in this fund can provide.

## The Adaptation Fund

### The Context

From the islands of the Pacific to sub-Saharan Africa, climate change is a daily reality affecting millions of people. In some regions, the once fertile lands are becoming less productive due to scarce water resources, while in others, increased flooding and rising sea levels are threatening human habitats and livelihoods. Developing countries, which contribute the least to climate change, are the most vulnerable to its impacts and are rarely given appropriate tools to address the challenges they face. Their needs are urgent, and the programs that help them confront these devastating problems must be executed expeditiously, efficiently, strategically and locally.

### History

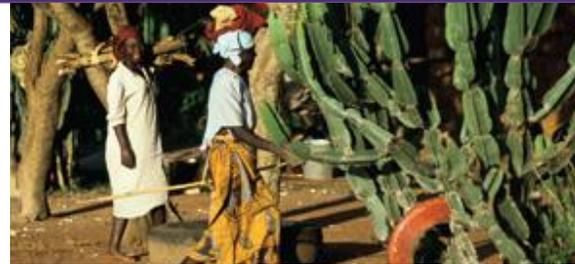
The Adaptation Fund was officially launched in 2007, although it was established in 2001 at the 7th Conference of the Parties (COP7) to the United Nations Framework Convention on Climate Change (UNFCCC) in Marrakech, Morocco, to finance concrete adaptation projects and programs that reduce the adverse effects of climate change in developing countries that are Parties to the Kyoto Protocol.

### The Adaptation Fund's Role in Climate Finance

The Adaptation Fund finances the full cost of adaptation in developing countries to implement innovative solutions that reduce the economic and environmental pressures caused by climate change through a mechanism that includes strong developing country participation. The AF's unique structure ensures the growth of funds available for adaptation projects, and enables innovative financing via direct access.

In 2010, since becoming fully operational, the Adaptation Fund Board has reviewed more than 32 project proposals from 26 developing countries including Small Island Developing States and Least Developed Countries. In 2010 alone, funding was approved for 4 projects, including a project in Senegal that is strengthening the protection and management of coastal cities threatened by rising sea levels, and a project in Honduras that will manage freshwater supplies threatened by changing rainfall patterns.

The number of countries applying for funding is increasing and the Adaptation Fund expects to receive and approve even more proposals in 2011.



### How is the Adaptation Fund financed?

The Adaptation Fund is the first fund to be financed by a truly international revenue source that exists because of a multilateral environmental agreement. Through the Clean Development Mechanism (CDM), the Adaptation Fund channels two percent of the proceeds generated by emission reduction certificates. Through this system, the Fund could raise approximately \$350 million by 2012 to support adaptation projects in developing countries. Contributions from developed countries are also an important source of financing to the Fund.

### Who oversees the Adaptation Fund?

The Adaptation Fund is supervised and managed by the Adaptation Fund Board (AFB), which is comprised of 16 members and their alternates from both developed and developing countries.

- Two representatives from each of the five UN regional groups;
- One representative of the small island developing states;
- One representative of the least developed country Parties;
- Two other representatives from Annex I Parties; and
- Two other representatives from non-Annex I parties

*By helping countries adapt to climate change today, we can ensure their progress and livelihoods tomorrow.*

## Direct Access Funding

### Why is direct access important?

The impacts of climate change are country-specific and adaptation projects must be tailored to best address those particular challenges. Through the direct access modality offered by the Adaptation Fund, developing countries themselves identify priority interventions that align with their national climate change strategies. Direct access also gives developing countries the ability to manage their own projects, thereby strengthening country ownership of funded projects.

### How does direct access work?

Developing countries are eligible for direct access upon the accreditation of a National Implementing Entity (NIE). After the country nominates a Designated Authority to endorse the NIE's application for accreditation, the application is reviewed in order to ensure the NIE meets the Adaptation Fund's fiduciary standards. Once accredited, NIEs may submit proposals on the country's behalf and serve as the recipient of funding. The implementation of projects through NIEs affords countries with more involvement and influence over the design and outcome of projects.

### Are there other ways to secure funding from the Adaptation Fund?

While direct access represents an innovative funding system, developing countries can also secure funds through traditional means using a Multilateral Implementing Entity (MIE). MIEs are multilateral organizations and regional development banks that have been accredited by the Board. As with NIEs, a country's Designated Authority must endorse any project proposal submitted to the Adaptation Fund via a MIE.

### How does the Adaptation Fund determine which projects to support?

Our process for approving and funding proposals is consistent and robust. This process is guided by the Board's Operational Policies and Guidelines, emphasizes transparency, and aims to ensure the equitable distribution of funds to geographically-diverse regions.

The Board's Project and Programme Review Committee (PPRC), whose members are from both developing and developed countries, reviews each project or program proposal, and by consensus recommends to the Board to approve or endorse fully-developed projects or concepts, respectively. After initial funding, the Board requires recipients to provide a progress report at least once a year for review, in order to verify that the funding is used for its intended purpose in an efficient and effective manner. Testament to the confidence donors have in direct access, many developed countries have shown further support of the process by making bilateral contributions to the Fund.



"[The Fund's Board] has shown that a collective effort of experts from developed and developing countries ... has been able to set up a consolidated Fund which had to face many complex and new issues, and which manages to address concerns from different sides with regard to fiduciary standards for direct access."

- Sven Harmeling, Germanwatch, co-chair of the adaptation working group of Climate Action Network International

## Impacts of Climate Change

### What are the impacts of climate change?

The Adaptation Fund was created at a critical juncture when, as international negotiations continue on a post-Kyoto Protocol agreement, climate change is impacting millions of people every year. For climate related disasters only, it is estimated that around 240 million people are affected each year and it could rise to 375 million a year by 2015.<sup>1</sup> Climate change is already impacting geophysical and biological systems through increased water stress and shortage, coral reef bleaching, loss of biodiversity, and increased coastal erosion and flooding, therefore affecting livelihoods dramatically.

Although these impacts are very costly, thereby seriously threatening the development of most of the affected countries, the costs of inaction are estimated to be even higher. Climate change costs the global economy \$125 billion every year and recent estimates suggest that costs will reach \$18 trillion by 2030 simply because of delays in action in 2010.<sup>2</sup>

### Who is being impacted?

Developing countries contribute the least to climate change, yet are often the hardest hit by its impacts. The most vulnerable socio-economic systems are particularly those in developing countries which economies tend to profoundly depend on climate-sensitive activities such as agriculture and fisheries, as well as the SIDS.

### How is the Adaptation Fund helping?

The Adaptation Fund assists developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation, by funding concrete adaptation projects and programmes.

The impacts of climate change are very specific to regions and countries. Therefore, the Adaptation Fund finances projects and programmes in sectors including:

- water management,
- agriculture and food security.
- coastal management,
- disaster risk reduction, and
- urban and rural development.

*By helping countries adapt to climate change today, we can ensure their progress and livelihoods tomorrow.*

<sup>1</sup> Global Humanitarian Forum, "Human Impact Report: Climate Change – The Anatomy of a Silent Crisis" (Geneva, Switzerland: May 2009), Executive Summary

<sup>2</sup> International Energy Agency, "World Energy Outlook 2010" (London, UK: November 2010), Executive Summary



"The ultimate aim of the AF is to support people in developing countries who are vulnerable to climate change. In designing and deciding on such support, these developing countries must of course have a voice – a strong voice. It is the responsibility of the AFB to secure that."

- Jan Cedergren, Former Chair of the Adaptation Fund Board

## A New Roadmap

### What makes the Adaptation Fund unique?

The Adaptation Fund can be differentiated from other international funds assisting developing countries adapt to climate change in three distinct ways:

- Unique structure that secures funds through a levy on the proceeds of the Clean Development Mechanism (CDM) developed under the Kyoto Protocol;
- Strengthened representation among developing countries;
- Direct access to funding.

With these attributes, the Adaptation Fund is evolving into a fund that is an effective mechanism for communities around the world to address the challenges of climate change. By using innovative funding systems, engaging civil society organizations at all levels, and involving the countries that are most impacted by climate change, we can demonstrate the magnitude of benefits that investing in this fund can provide.

### Unique Funding Structure

The Adaptation Fund is the first fund to be financed by a truly international revenue source that exists because of a multilateral environmental agreement. Through the CDM, The Adaptation Fund channels two percent (2%) of the proceeds generated by emissions reduction certificates directly into our fund. In addition to bilateral contributions, this revolutionary system could help us raise approximately \$330 million by 2012 to support the adaptation needs of developing countries.

### Balanced Representation

Developed and developing countries take a shared responsibility for the success of the Adaptation Fund's efforts. The majority of our Board comes from developing countries, but developed countries also have a strong voice at the table and decisions are made by consensus.

Our Board Members have diverse expertise in policy development, technical areas, and climate change adaptation. By joining the knowledge of the Board with that of the developing countries, we can identify innovative projects that best address each country's immediate and future adaptation needs.

### Direct Access

Through the direct access option offered by the Adaptation Fund, developing countries are able to secure funding directly and efficiently without having to use a multinational organization to help them through the process. This means that they have the ability, through National Implementing Entities, to develop and directly implement the projects that best address their national climate strategies and own the success of their project's outcome.



"[The Adaptation Fund's growing list of positive and innovative features include] its uniquely innovative source of funding through an adaptation levy, its governance structure, which - again uniquely - has a majority of developing countries, and its genuinely participatory and collegial board."

- Saleemul Huq, senior fellow, International Institute for Environment and Development