

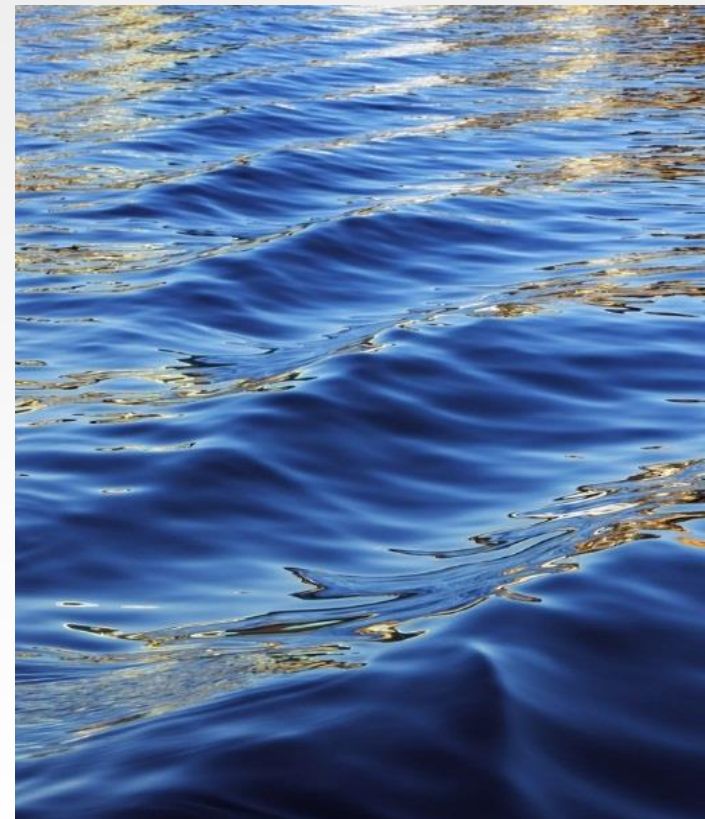


**ADAPTATION FUND**

## **Introduction to the Adaptation Fund**

**Climate Finance Readiness Workshop for  
the Asia and Asia-Pacific Region  
23-25 August, Mumbai, India**

Daouda Ndiaye  
AFB secretariat



# The Adaptation Fund is one of several international funds in the multilateral climate finance landscape

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*Under UNFCCC:*  
Least Developed Countries Fund (LDCF)  
Special Climate Change Fund (SCCF)

(operational)

**2002**

(currently)

**\$ 991.6 M**

**2004**

**\$ 361.5 M**



**WORLD BANK**

*Outside of the UNFCCC process:*  
Pilot Program on Climate Resilience

**2008**

**\$ 1,107 M**



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*Under the Kyoto Protocol of UNFCCC:*  
Adaptation Fund

**2009**

**\$ 544.6 M**



**GREEN  
CLIMATE  
FUND**

*Under the UNFCCC:*  
Green Climate Fund

**2015**

**\$ 2,554 M**



# The Adaptation Fund was established under the Kyoto Protocol of the UNFCCC

- **Goal:**

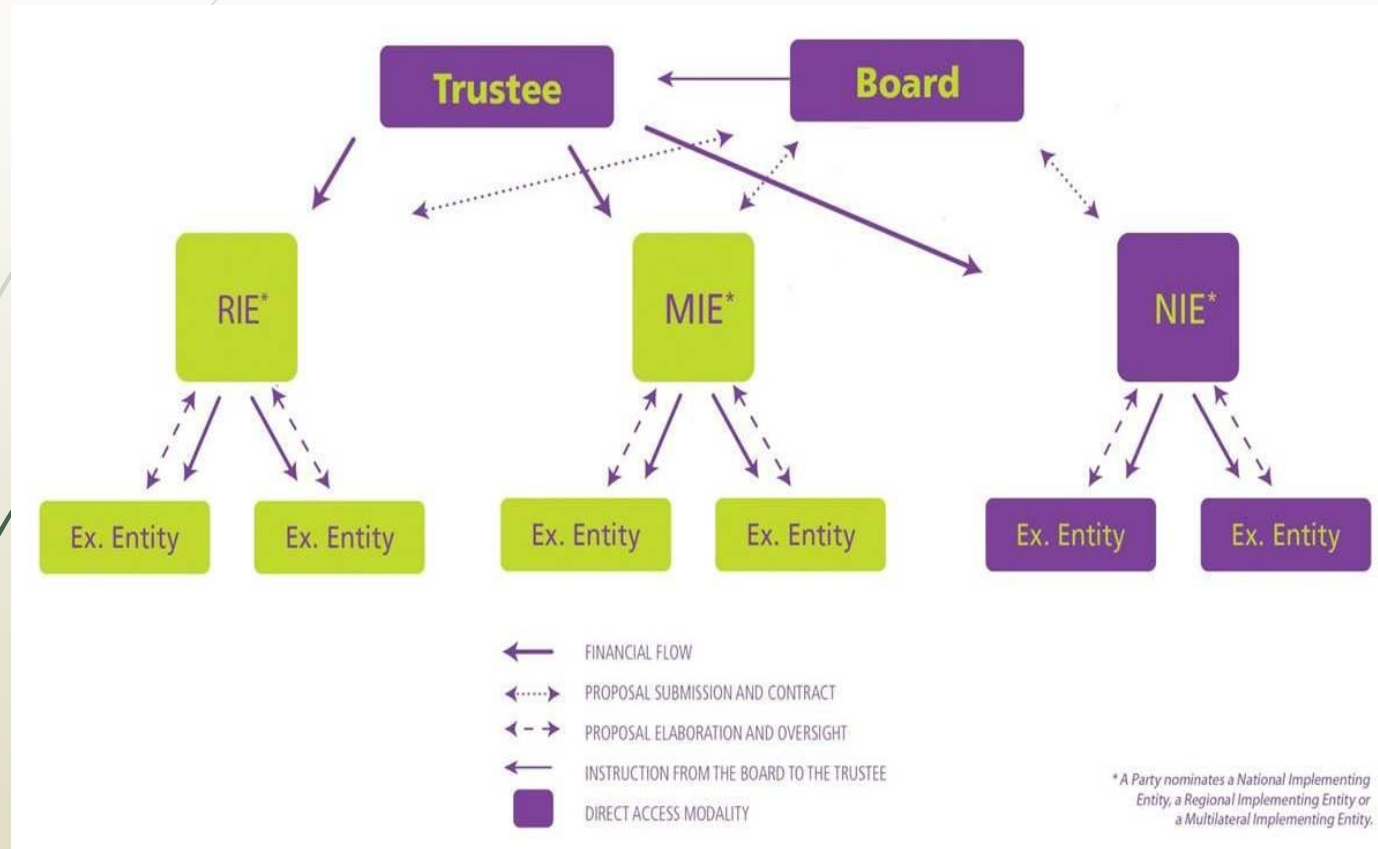
- ✓ Increase resilience through **concrete adaptation** projects & programmes
- ✓ Focus on **most vulnerable countries and communities**

- **Innovative Features:**

- ✓ Governed by **majority of developing countries**
- ✓ **Levy on** Clean Development Mechanism **proceeds** & other sources of funding
- ✓ **Direct access** alongside conventional access through international orgs



# There are 3 modalities that developing countries can use to access Adaptation Fund resources



- Funding decision (AFB)
- Funds transfer (Trustee)

- Proposal submission
- Project supervision
- Financial responsibility

- Project execution: work on the ground
- Report to the IE

6 RIEs  
accredited

11 MIEs  
accredited

23 NIEs  
accredited

# NIEs span different regions and types of economies







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Helping developing countries build resilience and adapt to climate change

Projects & Programmes

Apply For Funding

Readiness

News & Events

Adaptation Fund at COP21



## Adaptation Fund Welcomes MFEM of the Cook Islands as Fund's 24th National Implementing Entity

MFEM Accredited through New Streamlined Accreditation Process; Two New Adaptation Fund Projects in Niger and Uganda also Approved



# AF has financed 54 concrete adaptation projects (17 NIE, 2 RIE, 35 MIE): US\$ 354.9 M



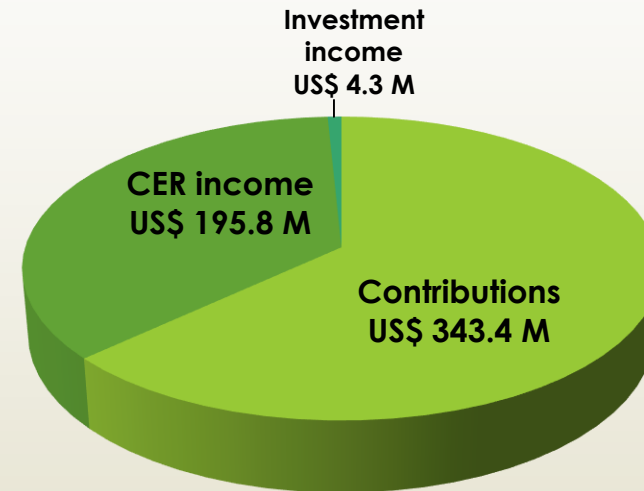
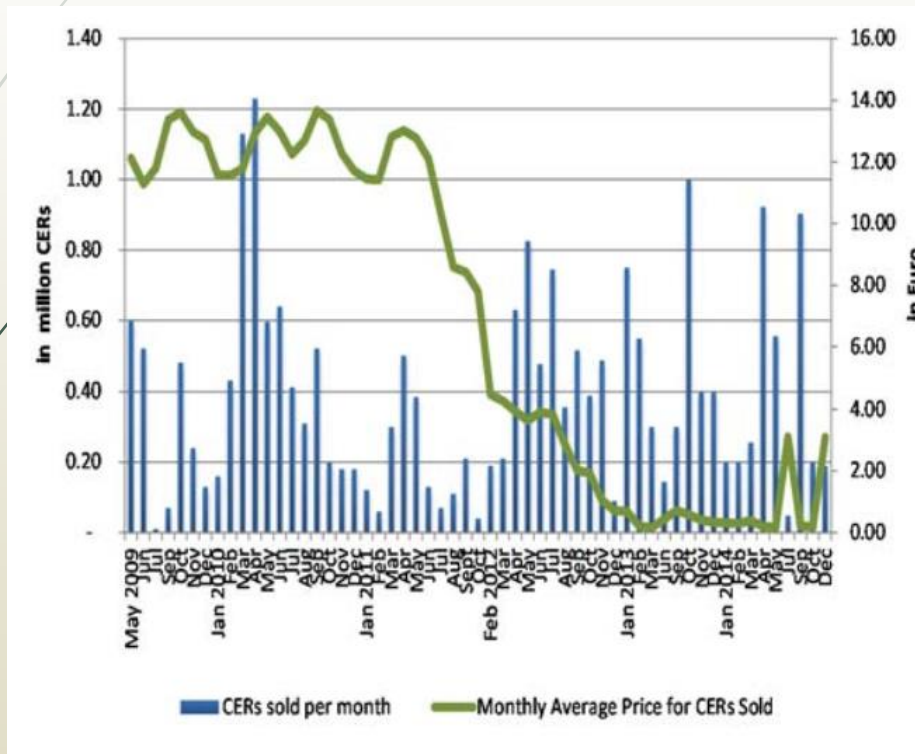


# The Fund's main revenue source is CER sales but the collapse of carbon markets means new resources are needed

CER prices have collapsed



Contributions now the main source of funds



**Fundraising progress / targets:**

2012-13: US\$ 103.4 M / US\$ 100 M

2014-15: US\$ 140.1 M / US\$ 160 M





# Funds available for new funding decisions

- **Total amount of funding available:** **\$148.5 M**
- **Set aside for regional projects:** **\$30.0 M**
- **Available for MIEs\*:** **\$32.4 M**
- **Available for only NIEs and RIEs:** **\$86.1 M**
- **Country cap of \$10 M**

\*Note: The amount of funding available for MIEs under the 50% MIE cap is also available for NIEs and RIEs

# “Active pipeline”: projects that have been submitted but not approved so far

## Active pipeline of single-country proposals submitted to the Adaptation Fund during 2015 and 2016

Country	Agency	Financing requested	Stage
NIE proposals			
Antigua and Barbuda	ABED	\$9,970,000	Concept (endorsed)
Belize	PACT	\$4,000,000	Concept
India	NABARD	\$2,514,561	Concept
Micronesia (F.S. of)	MCT	\$1,000,000	Concept
Namibia	DRFN	\$750,000	Concept
Namibia	DRFN	\$750,000	Concept
Panama	Fundación Natura	\$9,952,121	Concept (endorsed)
Benin	FNE	\$8,913,255	Full proposal
Namibia	DRFN	\$6,000,000	Full proposal
Namibia	DRFN	\$1,500,000	Full proposal
Senegal	CSE	\$1,351,000	Full proposal
Total, NIEs		<b>\$46,700,937</b>	

RIE proposals			
Ecuador	CAF	\$2,489,373	Concept
Guinea Bissau	BOAD	\$9,979,000	Concept (endorsed)
Marshall Islands	SPREP	\$7,560,000	Concept
Peru	CAF	\$2,236,925	Concept (endorsed)
Togo	BOAD	\$10,000,000	Concept
Micronesia (F.S. of)	SPREP	\$8,967,600	Full proposal
Total, RIEs		<b>\$41,232,898</b>	
MIE proposals			
Lao People's Dem. Rep.	UN-Habitat	\$4,500,000	Concept (endorsed)
Albania	World Bank	\$6,000,000	Full proposal
Total, MIEs		<b>\$10,500,000</b>	
Total, all IEs		<b>\$98,433,835</b>	

- Projects under development could deplete currently available funds
- A strong argument for mobilizing additional donor resources

# Policy: Pilot Programme for Regional Activities

- **Up to 4 regional projects/programmes**
- Total value **USD 30 million**
- Open to **RIEs and MIEs**, partnering with NIEs (where possible) and other national agencies
- **Themes:** Food security, DRR & EWS, Transboundary water management, Innovation in adaptation finance
- **Huge interest** after first call in May 2015: proposals totaling ca. **US\$ 120 million**
- **9 pre-/concepts, 2 concepts endorsed**





# “Active pipeline” of regional projects

Active pipeline of regional proposals submitted to the Adaptation Fund during 2015 and 2016			
Country	Agency	Financing requested	Stage
RIE proposals			
Chile, Ecuador	CAF	\$13,910,400	Pre-concept (endorsed)
Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	\$14,000,000	Concept
Total, RIEs		<b>\$27,910,400</b>	
MIE proposals			
Cambodia, Lao PDR, Myanmar, Thailand, Vietnam	UNESCO	\$4,542,250	Pre-concept (endorsed)
Colombia, Ecuador	WFP	\$14,000,000	Pre-concept (endorsed)
Cuba, Dominican Republic, Jamaica	UNDP	\$4,969,367	Pre-concept (endorsed)
Ethiopia, Kenya, Uganda	WMO	\$6,800,000	Pre-concept (endorsed)
Kyrgyzstan, Tajikistan, Uzbekistan	UNESCO	\$5,000,000	Pre-concept (endorsed)
Madagascar, Malawi, Mozambique and Union of Comoros	UN-Habitat	\$15,088,553	Pre-concept
Mauritius, Seychelles	UNDP	\$4,900,000	Pre-concept (endorsed)
Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	\$5,000,000	Concept (endorsed)
Total, MIEs		<b>\$60,300,170</b>	
Total, all IEs		<b>\$88,210,570</b>	

- **Future of the pilot programme to be considered by AFB28**



# Evaluation: Phase I (2014-2015)

- **Relevance:** AF design is coherent with and complementary to other adaptation efforts under UNFCCC
- **Effectiveness:** AF main processes are generally effective and demonstrate steady improvement, with the exception of resource mobilization and knowledge management
- **Efficiency:** AF and its institutional arrangements provide good value for money
- **Sustainability:** significant, structural threat to the sustainability, adequacy, and predictability of resources for the AF
- **Phase II (2016-)**

## Independent Evaluation of the Adaptation Fund First Phase Evaluation Report

### ABSTRACT

The Adaptation Fund was established in 2001 to finance concrete adaptation projects and programs in developing country Parties to the Kyoto Protocol and those that “are particularly vulnerable to the adverse effects of climate change.” This Independent Evaluation is the first of two phases in a comprehensive evaluation of the Adaptation Fund. This report presents the findings and analysis for the First Phase evaluation, which is a process evaluation that focuses on the Adaptation Fund’s operational performance from its establishment through June 2015.

Report date: 21 August 2015



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# Adaptation Fund and the Paris Agreement

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- **Decision 1/CP.21** adopting the Paris Agreement: the Adaptation Fund *may serve the Agreement*, subject to relevant decisions by the CMP (Kyoto Protocol parties' meeting) and the CMA (Paris Agreement parties' meeting)
- Process already started with a **roadmap**: CMP recommended that:
  - **CMA, at its 1<sup>st</sup> session**, consider that the AF may serve the Paris Agreement
  - **COP at its 22<sup>nd</sup> session (November 2016), request the Ad Hoc Working Group on the Paris Agreement (APA) to undertake the necessary preparatory work** concerning this issue and to forward a recommendation to the CMP for its consideration and adoption no later than at its 15<sup>th</sup> session (November 2019)



# Adaptation Fund and the Green Climate Fund

- CMP10 (Lima 2014) requested the AF Board to consider options for developing operational linkages between the AF and bodies under the Convention (such as the GCF)
- In 2015 the Board considered matters related to complementarity, including establishing an operational linkage between the AF and the GCF for channelling resources for adaptation and identified two options:
  - (a) seeking accreditation as financial intermediary with the GCF; or
  - (b) entering into an MOU or ad hoc agreement with the GCF.
- The AF Board requested the secretariat to discuss with the GCF secretariat concrete activities to initiate collaboration, such as:
  - readiness support, including by joint activities;
  - results based management; accreditation; and project/programme identification.



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