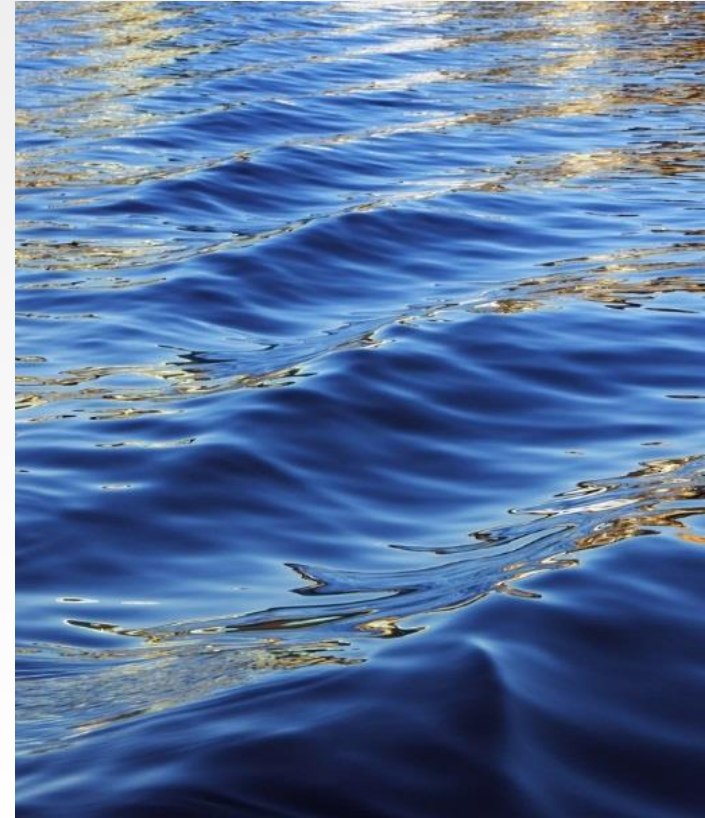




ADAPTATION FUND

**Adaptation Fund: Helping
Countries Adapt to Climate
Change through a Range of
Flexible Finance Modalities**

Bonn, 4 May 2018



Experience on funding Climate Adaptation

Since inception, the Fund has mobilized 725 million US dollars in resources. **US\$ 199 million came from CER proceeds and US\$ 513 million from developed countries' contributions.**

The resources allocated so far amount to **US\$ 477 million in 76 countries, of which 28 are LDCs and 18 SIDS.**

The Adaptation Fund currently funds 73 concrete, localized adaptation and resilience projects in 59 vulnerable countries with **ca. 5.6 million direct beneficiaries.** Its projects are effective, flexible and scalable, and can be replicated in other communities.

Since 2010 the Fund has approved US\$ 477 million for 76 countries



 Projects  Readiness Grants

- Projects under development (May 2018):
 - 21 country projects totaling US\$ 92.2 million
 - 15 regional projects totaling US\$ 148.4 million

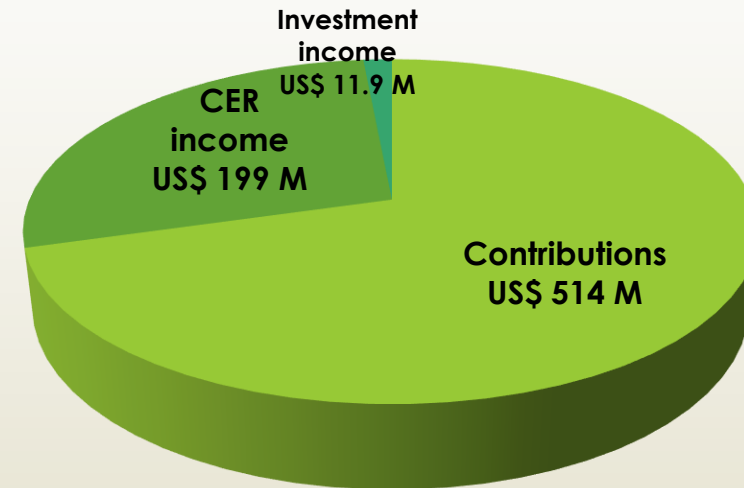
The Fund's main revenue source is CER sales but the collapse of carbon markets means new resources are needed

CER prices have collapsed



Projects and programmes under development:
US\$ 251 M

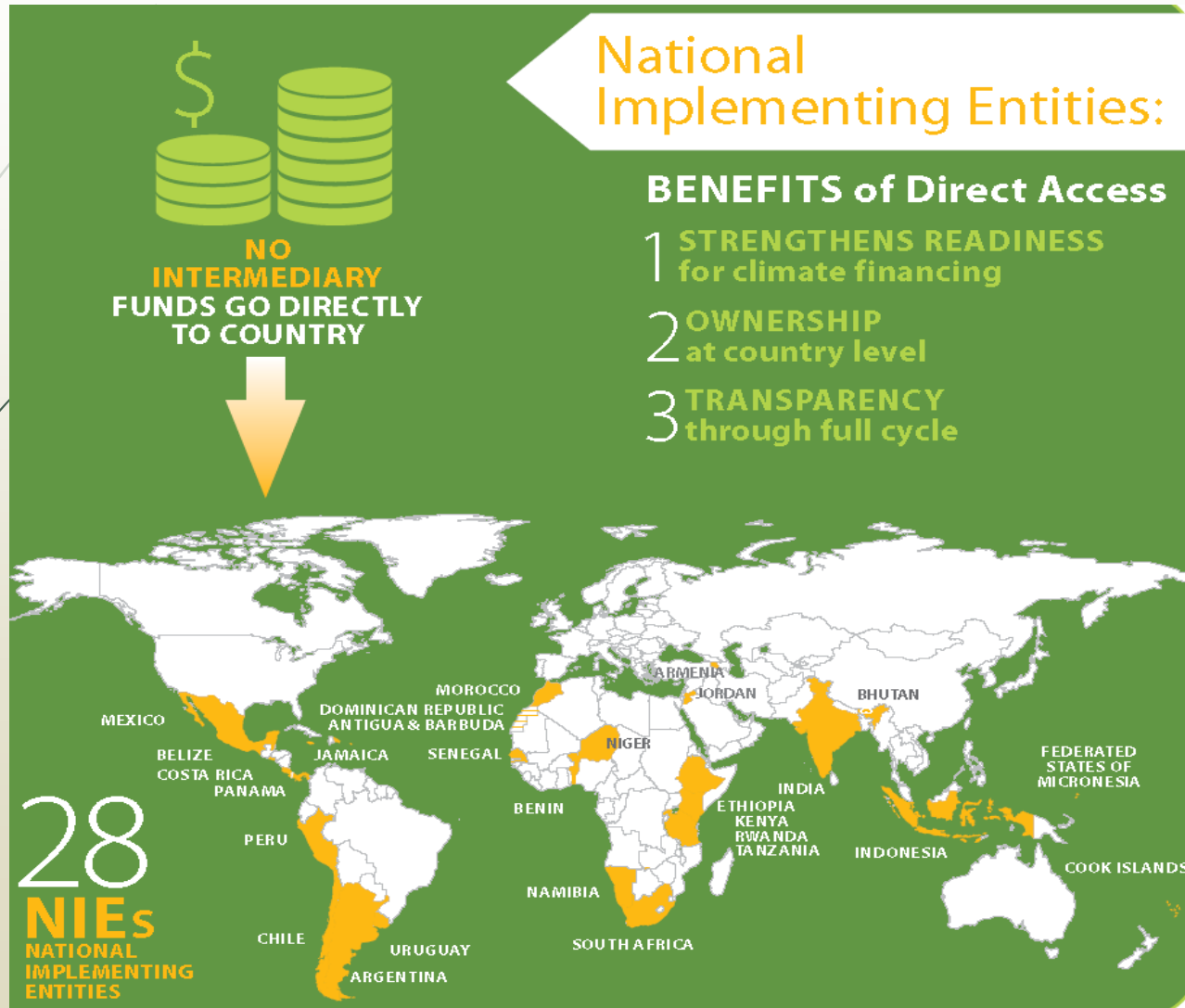
Contributions now the main source of funds



Resource mobilization progress / targets:

2012-13:	US\$ 103.4 M / US\$ 100 M
2014:	US\$ 64.4 M / US\$ 80 M
2015:	US\$ 75.8 M / US\$ 80 M
2016:	US\$ 81.5 M / US\$ 80 M
2017:	US\$eq. 95 M / US\$ 80 M
2018:	US\$ 0.0 M / US\$ 90 M

The number of direct access entities is increasing



46 Implementing Entities

- 28 NIEs (46% LDCs, SIDS)
- 6 RIEs
- 12 MIEs

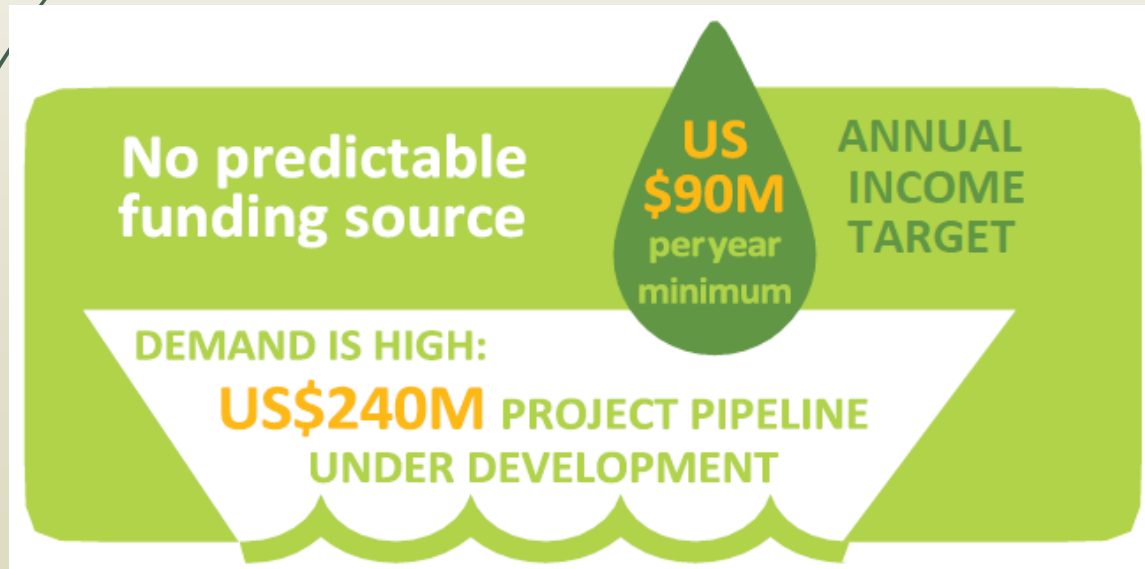
Direct Access, whereby a country can access funds directly from the AF and other funds adopting similar modality to manage adaptation/mitigation projects, requires an accredited National Implementing Entity meeting the funds' fiduciary standards, environmental and social safeguards and gender policy

Roadmap of the AF contributing to the implementation of the Paris Agreement

- **Paris (2015):** (COP 21, CMP11) The Adaptation Fund **may** serve Paris Agreement
- **Marrakech (2016):** (CMA 1) The Adaptation Fund **should** serve the Paris Agreement
- **Bonn (2017):** (CMP 13) The Adaptation Fund **shall** serve the Paris Agreement
- **2018:** Ad Hoc Working Group on the Paris Agreement undertakes the necessary preparatory work to address
 - Governance and institutional arrangements,
 - Environmental and social safeguards
 - Operating modalities, including sources of funding

AF ALREADY CONTRIBUTES TO THE ADAPTATION OBJECTIVE OF THE PARIS AGREEMENT

The Adaptation Fund is already contributing to the adaptation objectives of the Paris Agreement and to the implementation of adaptation actions included in the NDCs of developing countries by financing its portfolio of concrete adaptation projects and programmes.



DELIVERING

replicable and scalable
projects of up to

US\$10 million



GROWING DEMAND:

record number of project and programme proposals received from vulnerable developing countries from 2015 onwards, with particularly large increases in proposals from national and regional implementing entities.

ADDED VALUE OF AF SERVING THE PARIS AGREEMENT



Achieving the PA goal of balancing funding for adaptation and mitigation in developing countries



Article 9.4: Financing Adaptation must take into account national strategies and priorities of the most vulnerable countries with capacity constraints, such as LDCs and SIDS



The Agreement attributes to adaptation a share of the proceeds of the Sustainable Development Mechanism it has established (Articles 6.4 and 6.6). This may be a market mechanism similar to the clean development mechanism.



SUCCESSFUL TRACK RECORD

of building institutional capacity through the direct access modality, from accreditation to implementation and evaluation of nationally designed projects and programmes.

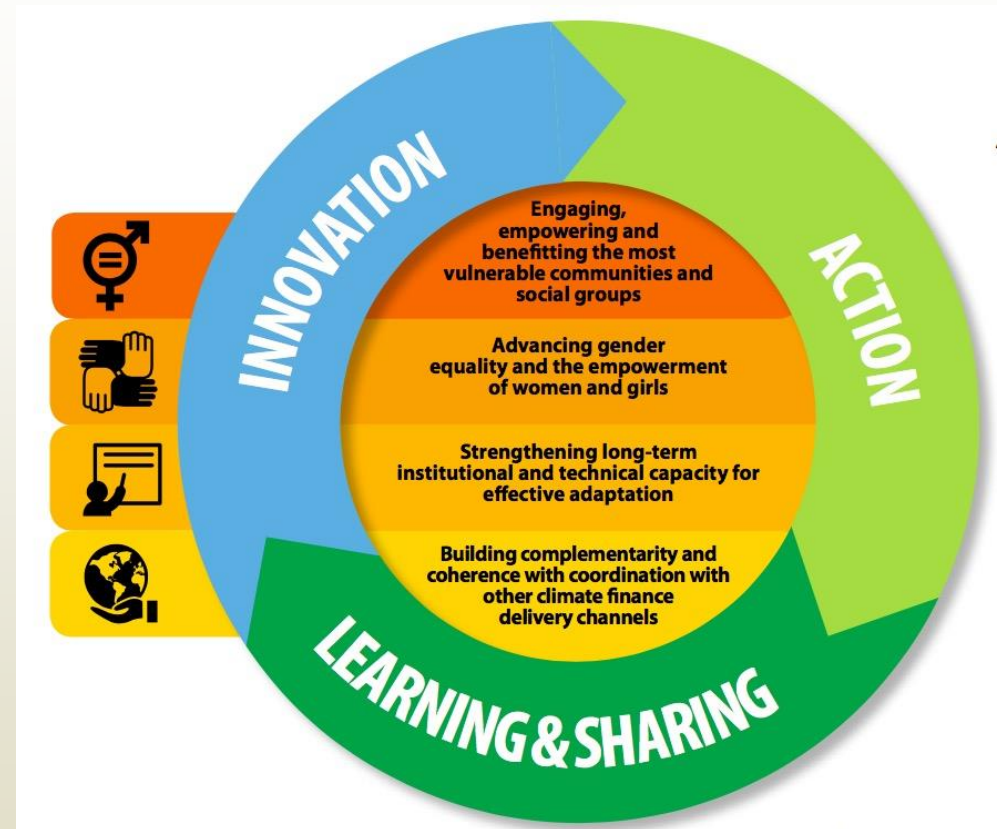


EXPERTISE

of the Adaptation Fund has been shared with other climate funds: the Green Climate Fund (GCF) has used “fast track” accreditation of Adaptation Fund accredited implementing entities.

Medium-term Strategy (MTS): approved in October 2017

- Fund's purpose is aligned with goal of Paris Agreement, SDG 13
- Focus remains on the most vulnerable
- Fund has delivered:
 - concrete **action**,
 - **innovative** approaches to climate finance
 - valuable **learning**
- Inclusion of new activities + targeted support



Medium-term Strategy (MTS): approved in October 2017

- Cross-cutting areas will be mainstreamed across Fund processes and projects/programmes
- The Fund holds itself accountable through regular reflection, innovation and collaborative learning to set new norms

Advancing gender equality and the empowerment of women and girls

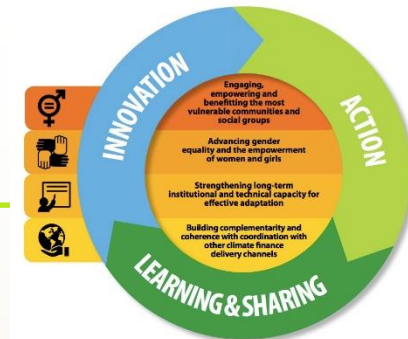
Engaging, empowering and benefitting the most vulnerable communities and social groups

Strengthening long-term institutional and technical capacity for effective adaptation

Building complementarity and coherence with other climate finance delivery channels



MTS Implementation Plan: approved in March 2018

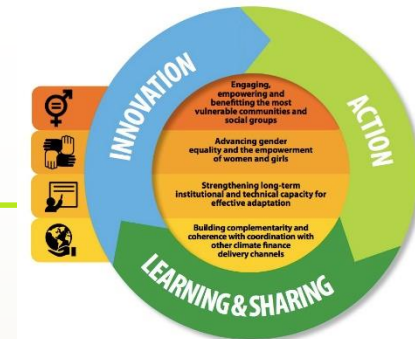


In addition to existing ones, new funding modalities:

- “Action”
 - Window for “enhanced direct access”: US\$ 20 M per year (>10 grants)
 - Scale-up microgrants: US\$ 200,000 per year (10 grants)
- “Innovation”
 - Large grants (<US\$ 5 M) for rolling out, scaling up innovation: US\$ 90 M over 5 years (>18 grants)
 - Micro-grants (<US\$ 250 k) for encouraging new innovation, creating evidence base: US\$ 16 M over 5 years (>64 grants)
- “Learning and sharing”
 - South-South learning microgrants (<US\$ 150 K) for sharing practices, lessons (ca. 15 grants)



MTS Implementation Plan: approved in March 2018



New resources and assistance:

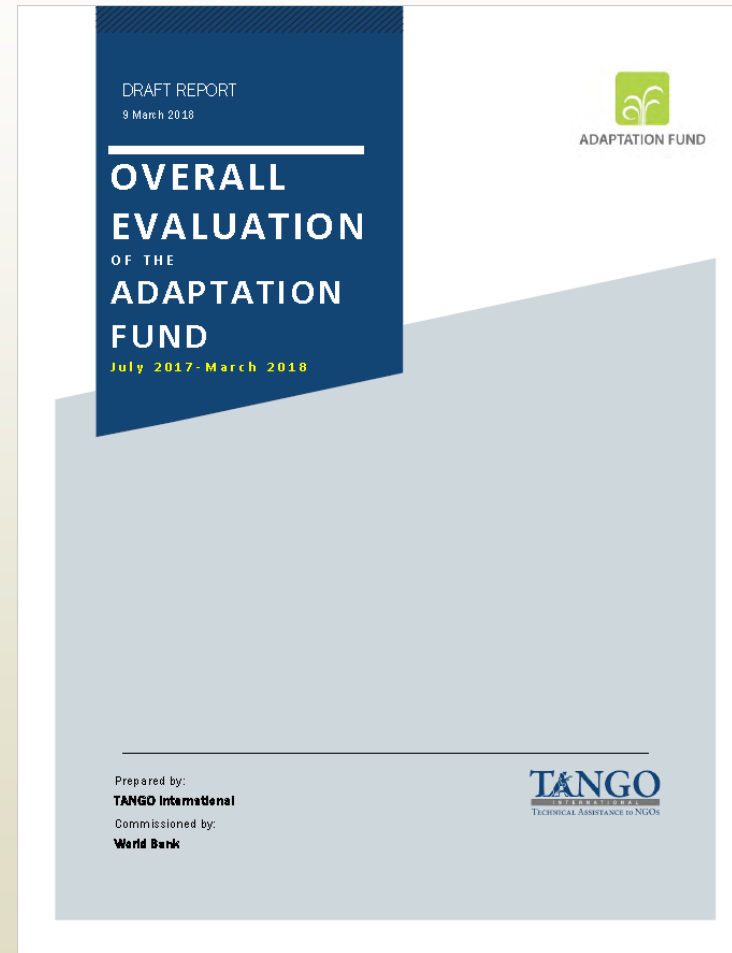
- Action:
 - “Community of Practice” for NIEs: online platform, workshop
 - Country exchanges for NIEs
- Learning and sharing:
 - Publications showcasing best practice / case studies
 - Showcasing best practice on direct access
 - Lessons learned from accreditation, reaccreditation
 - Knowledge Management toolkit for lessons learned
 - Knowledge Management toolkit for RBM
 - E-learning course on accreditation



Evaluation: Phase II (2017-2018) – portfolio

Conclusions

- **Relevance:** AF portfolio is in alignment with mandate and strategic priorities
- **Effectiveness:** AF is making progress toward all seven outcome areas of the AF Strategic Results Framework. Projects have and do contribute to strengthening resilience at national and/or local levels
- **Efficiency:** AF is efficient in managing accreditation and project cycle processes
- **Results and sustainability:** AF has increased developing countries' access to adaptation finance. However, this is limited by the scale of financing available.





ADAPTATION FUND

www.adaptation-fund.org/
@adaptationfund

