



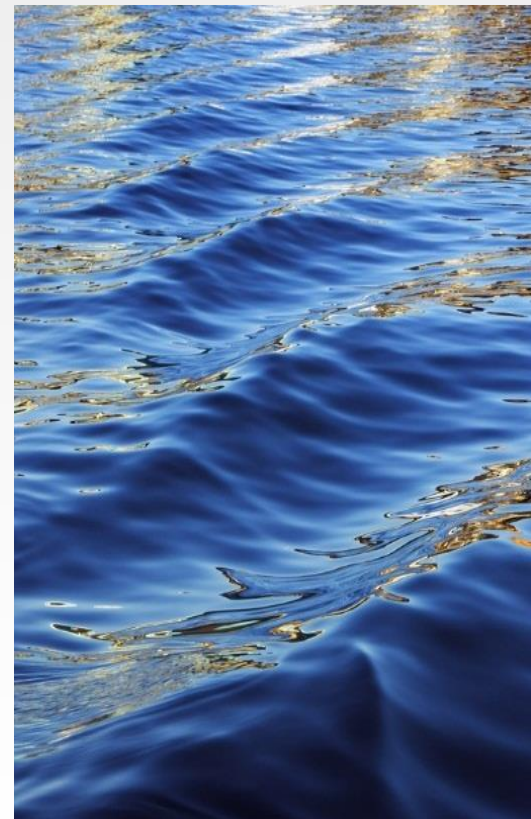
ADAPTATION FUND

**Overview of Readiness and
capacity building support pre
and post accreditation**

**ACCREDITATION TRAINING
WORKSHOP: ASIA-PACIFIC CLIMATE
WEEK**


**2-3 September 2019, Bangkok,
Thailand**

Presented by: Farayi Madziwa: Adaptation Fund Board
Secretariat





Presentation Outline

- 
- **Introduction**
 - **Accessing project finance from the Adaptation Fund**
 - **Readiness and capacity-building support**
 - **Support for accreditation**
 - **Post-accreditation support**



Presentation Outline



Introduction



Accessing project finance from the Adaptation Fund



Readiness and capacity-building support



Support for accreditation



Post-accreditation support

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



Adaptation Fund is serving the Paris Agreement

In summary, Decision -/CMA.1: “Matters Relating to the Adaptation Fund”

- Decided that AF shall serve the PA under the guidance of, and be accountable to, the CMA with respect to all matters relating to the PA, effective 1 January 2019
- Recommended AF shall exclusively serve the PA once the share of proceeds under mechanism to contribute to mitigation of GHG emissions and support SD becomes available
- Decided when AF serves PA it shall be financed from the share of proceeds from the mechanism and from a variety of voluntary public and private sources

CMP made decisions aligning with CMA.1 decision, including:

- That AF shall exclusively serve PA and shall no longer serve KP once the share of proceeds from mechanism becomes available
- That Parties to the PA are eligible for membership on the Adaptation Fund Board
- Requested AFB to look at matters related to AF serving the PA

Experience in funding concrete adaptation

- The Fund's main revenue source is **CER sales** but the collapse of carbon markets relying on **voluntary contributions**
- Since inception, the Fund has mobilized 859 million dollars in resources. **US\$ 201 million** came from **CER** proceeds and **US\$ 658 million** from **developed countries' contributions**.
- The resources committed so far amount to **US\$ 653 million** in **78 countries**.



- The Adaptation Fund currently funds 94 concrete, localized adaptation and resilience projects with **6 million direct beneficiaries**.
- Its projects are **effective, flexible and scalable**, and can be replicated in other communities.



Projects approved by AFB since 2010



130 projects (94 concrete projects and 36 readiness projects)

- 66 implemented by NIEs
- 53 implemented by MIEs
- 11 implemented by RIEs
- 40 projects implemented in Asia and the Pacific (18 by NIEs, 21 by MIEs, 1 RIE)

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

➤ “Action”

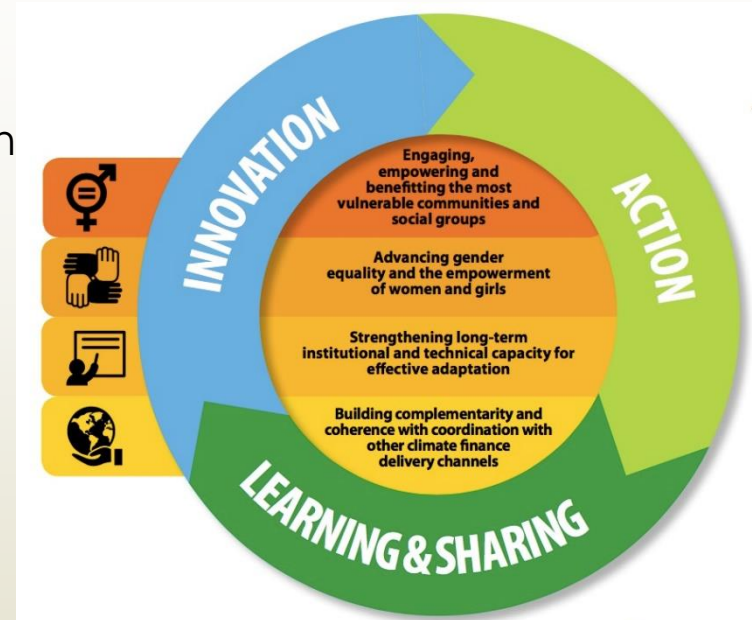
- Objective: Support the design & implementation of high-quality projects
- Outputs: High-quality capacity developed in client countries; pipeline of scalable projects; and reduced vulnerability

➤ “Innovation”

- Objective: Champion innovative approaches to adaptation (by others)
- Outputs: Innovative projects replicated in new countries; innovative practices, products & tech scaled-up

➤ “Learning and sharing”

- Objective: Generate knowledge & communicate practical lessons from operational processes, projects & innovation portfolio
- Outputs: Practical lessons from projects; specific knowledge on impact themes; stronger capacity for adaptation-related learning in client countries





Presentation Outline



- Introduction

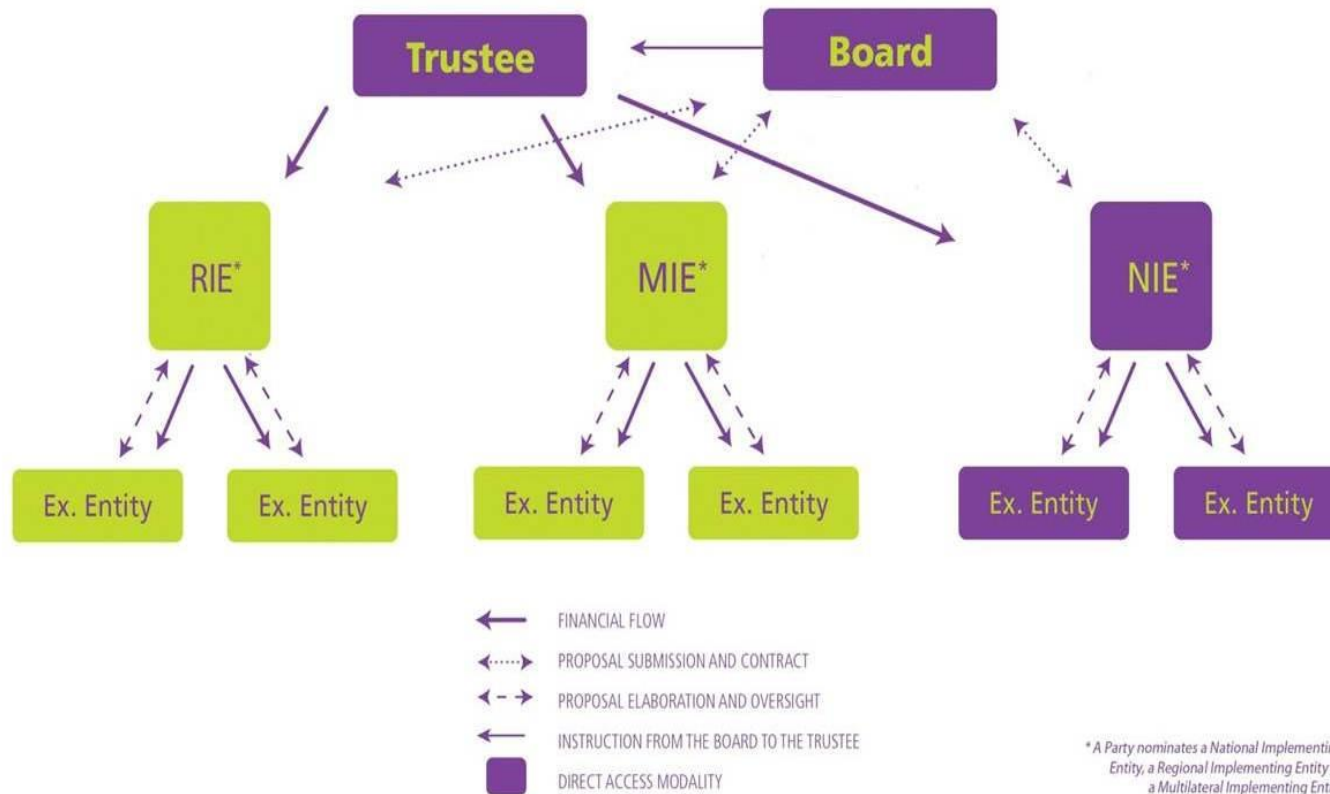
- Accessing project finance from the Adaptation Fund

- Readiness and capacity-building support

- Support for accreditation

- Post-accreditation support

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

12 MIEs
accredited

31 NIEs
accredited

1 in Asia-Pacific

6 in Asia-Pacific

Direct Access at the Adaptation Fund

- ❑ accredited **Adaptation Fund pioneered fully operational direct access to climate financing**
- ❑ **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 National Implementing Entity meeting the funds' fiduciary standards, environmental and social safeguards and gender policy

DIRECT ACCESS

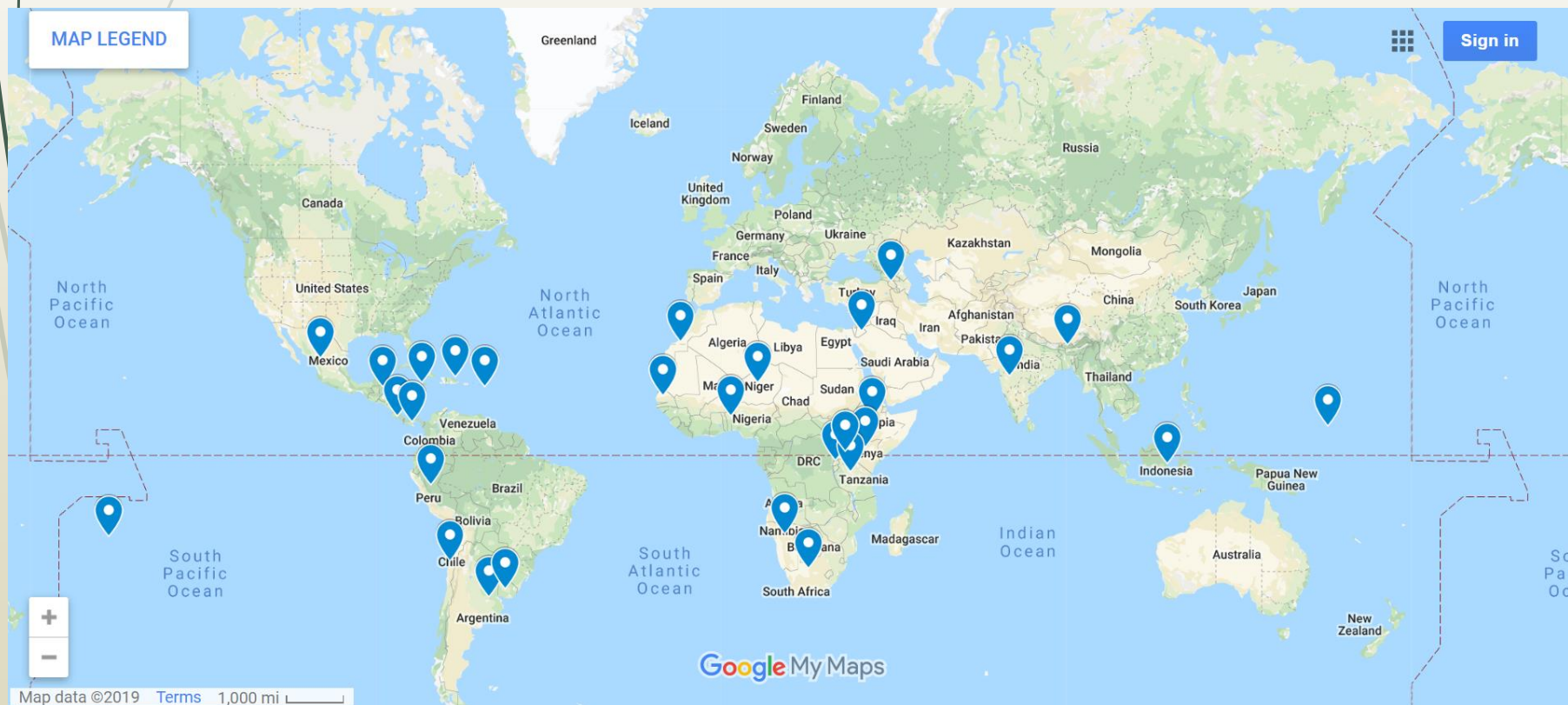


The number of direct access entities is increasing

49 accredited Implementing Entities

- 8 in Asia-Pacific (6 NIEs 1 RIE and 1 MIE)

❖ EMA-Zimbabwe, MFED-Tuvalu and MoWE-Uganda accredited in 2019



Benefits of Direct Access

- Funds projects directly managed and led by countries
- Elevates issues relating to climate change and adaptation to the national level
- Improves intragovernmental collaboration and amplifies stakeholder voices
- Fosters transparency, inclusiveness and competition in project formulation
- Sustains institutional knowledge and enhances internal management
- Empowers developing countries to build national adaptive capacities

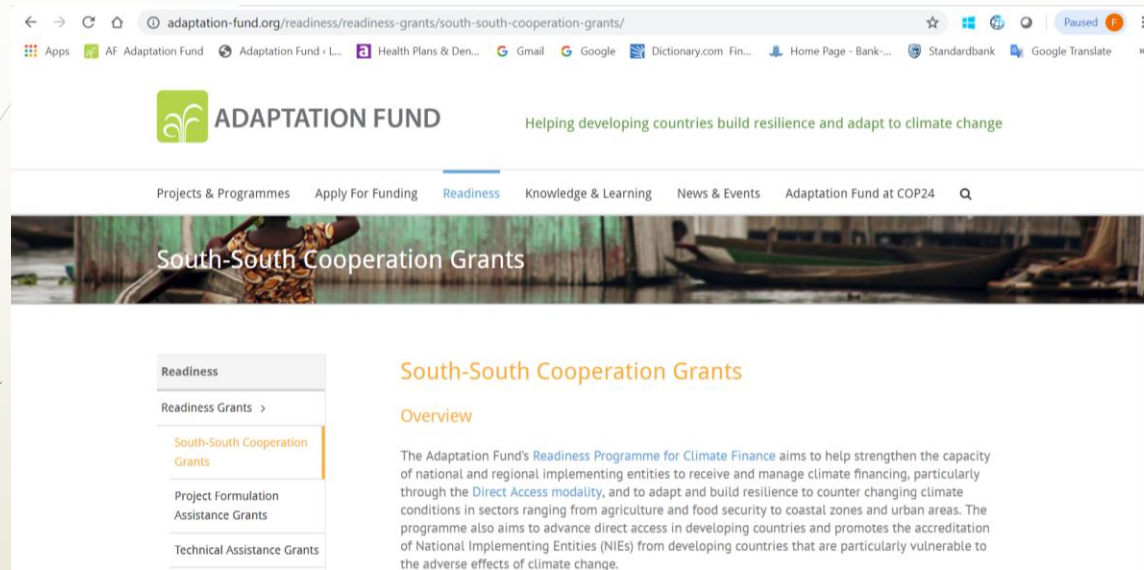


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The Readiness Programme was Launched in May 2014

➤ Grants



➤ Accreditation, project preparation & design

➤ Contribution to KM



➤ Visibility of the Fund “AF brand”

Readiness and capacity-building objectives

- **Goal:**

- ✓ To increase the number of accredited national implementing entities (NIEs), and strengthen the overall capacity of NIEs

- **Specific objectives:**

- To increase the preparedness of applicant national implementing entities seeking accreditation with the Adaptation Fund
- To increase the number of high quality project/programme proposals submitted to the Board after accreditation



Activities under the Readiness Programme

Implemented through 4 key components

- Support to countries seeking accreditation
- Support to accredited IEs
- Cooperation/Partnership with climate finance readiness providers
- Knowledge management



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South-South (S-S) Cooperation Grants

Countries without an NIE may apply for a grant to receive support from an existing NIE (up to US\$ 50,000)

- Support in one or more of the following:
 - Support for the identification of an NIE candidate;
 - In-country support to an NIE candidate for the preparation of an application for accreditation;
 - Providing support and advice during the application process, including support to address and respond to feedback provided by the Accreditation Panel .
- NIE providing peer support must be eligible:
 - Must be an accredited NIE with “Active” accreditation status
 - Must have experience implementing an Adaptation Fund project or programme
 - Must have experience advising, participating in, or organizing support to other NIEs

The Readiness Support Package (pilot phase)

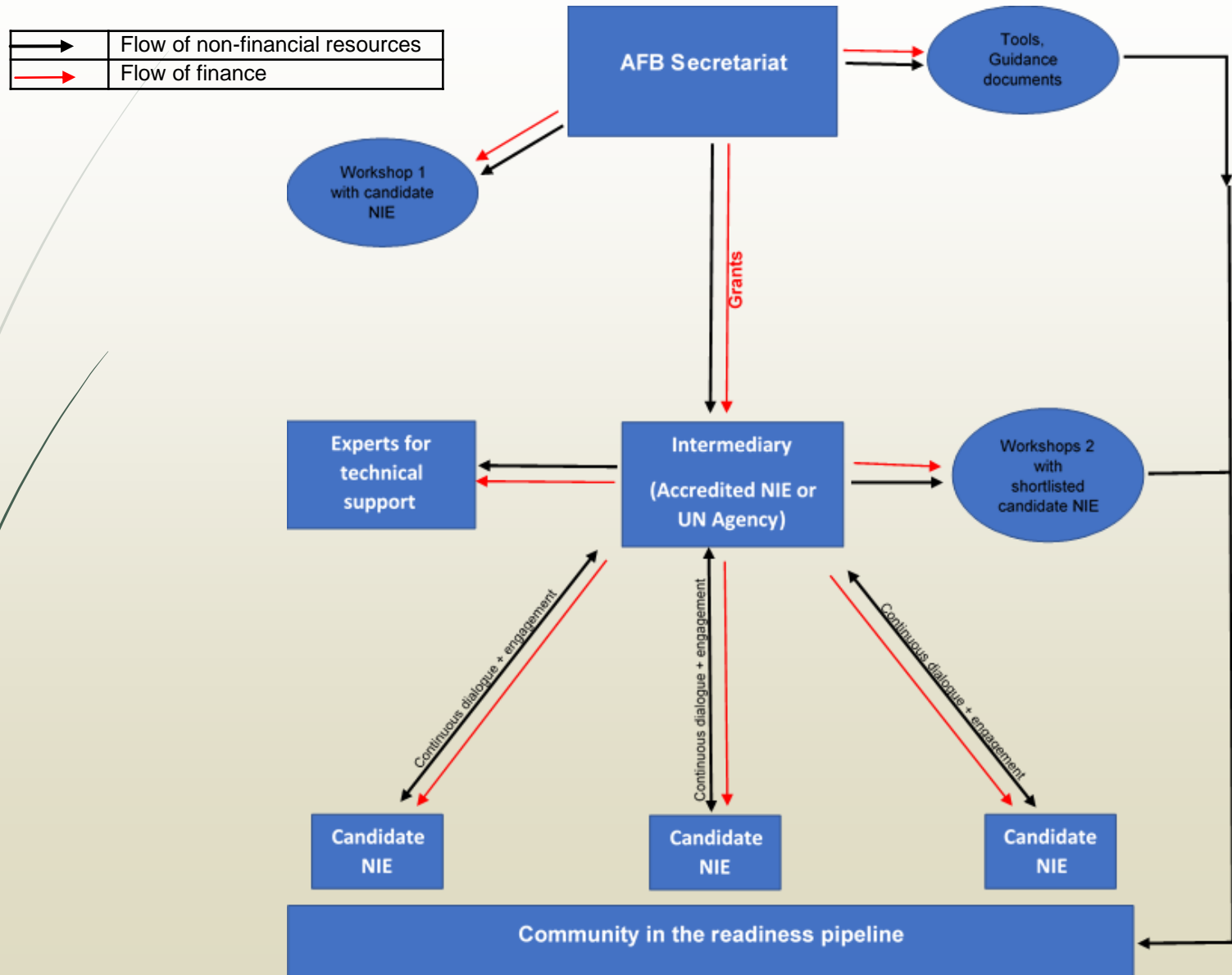


- Approved at AFB
29, March 2017

- Tailored support
to countries



Readiness support package overview (pilot phase)



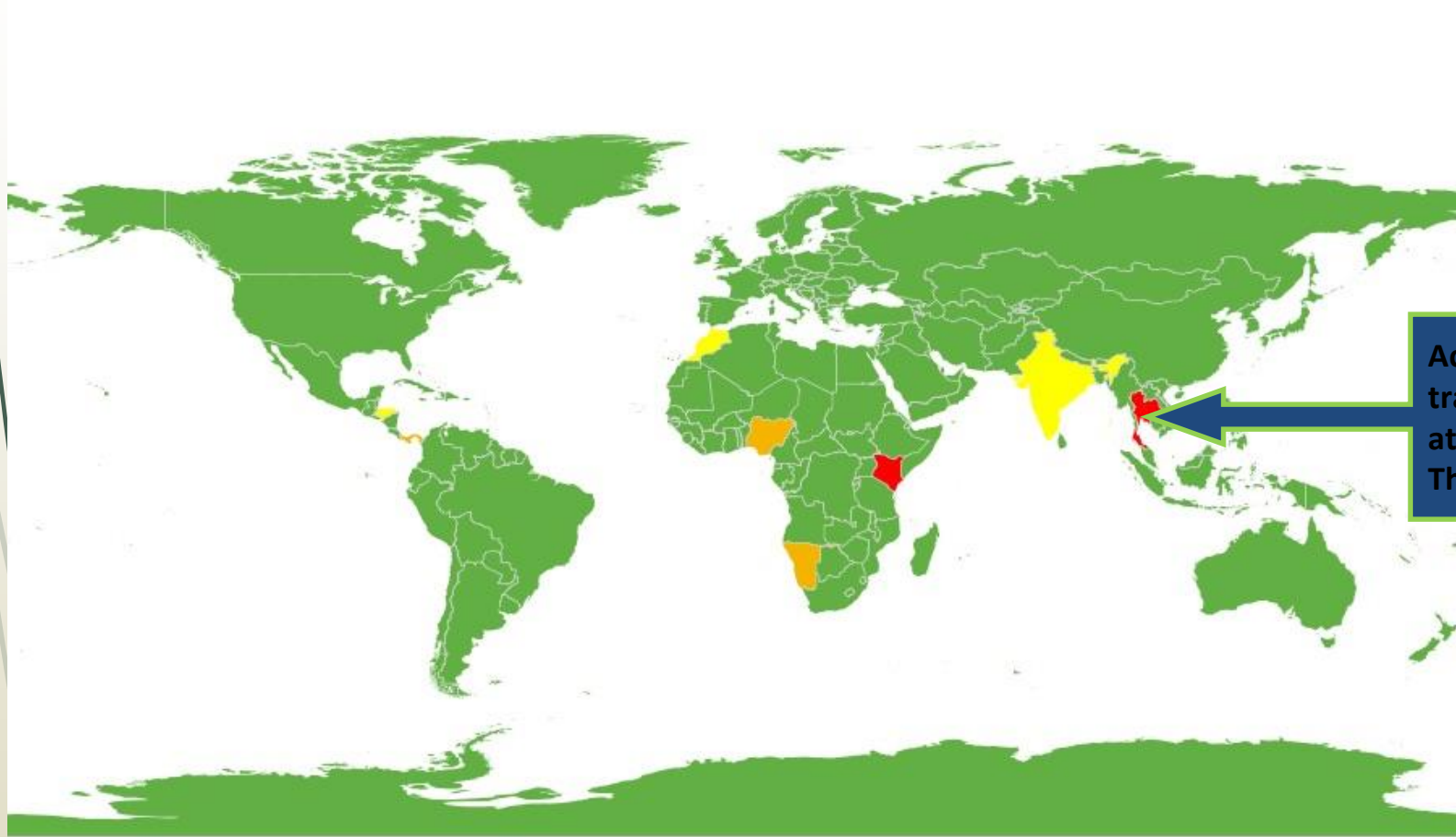
Readiness support package pilot phase

- **Grant of up to US\$ 100,000**
 - NIE candidate expected to drive process of its own accreditation (*put in place necessary institutional arrangements, policies, procedures and capacities; make the necessary management decisions, inter-departmental/organizational coordination, and avail the necessary human and financial resources to actively drive the accreditation process within the entity*)
- **Support in one or more of the following:**
 - In-country support to prepare an application;
 - Technical support to address gaps in policies, procedures and other institutional arrangements (*demonstration remains the responsibility of the NIE candidate*);
 - Organization of “regional” consultations/workshops to support several NIE candidates.
 - May set aside small portion of the grant to address and respond to feedback provided by the Accreditation Panel (recommended)

Readiness support package pilot phase eligibility criteria: **NIE candidate**

- **NIE candidate must meet the following;**
 - Must be located in a developing country Party to KP with no existing accredited NIE
 - Must have a DA
 - Must submit DA letter of endorsement together with expression of interest
 - Must have log-on credentials to accreditation workflow
 - Must not be under review by AP

Climate finance readiness workshops



Accreditation
training workshop
at APCW, Bangkok,
Thailand

2014

2015/16

2017/18

2019

Tools and guidance documents

❖ Accreditation toolkit



NIE Accreditation Toolkit

- Module 1: Basics – NIE definition, role of DA, case studies.
- Module 2: IE accreditation and standards (Financial integrity & mgmt.; Institutional capacity; Transparency, self investigative powers & anti-corruption measures
- Quiz

❖ Guidelines for selection of NIE – Updated March 2018



Information Note for Designated Authorities to select a National Implementing Entity candidate for accreditation with the Adaptation Fund


The purpose of this information note is to assist [Designated Authorities](#) in selecting the most suitable National Implementing Entity (NIE) candidate for the country to seek accreditation with the Adaptation Fund. The information below describes the essential capabilities and system that an NIE candidate is expected to demonstrate during the accreditation process. For further information, please contact afaccreditation@adaptation-fund.org.

The Designated Authority should consider the following aspects:

1. The nominated NIE can demonstrate and give evidence of its fiduciary abilities and obtain the accreditation from the Adaptation Fund. The Designated Authority is encouraged to refer to the accreditation fiduciary standards that NIEs must meet during the accreditation process, which are available at <https://www.adaptation-fund.org/apply-funding/accreditation/>.
2. The nominated NIE is the most capable and suitable within the country to take responsibility and accountability for the full climate change adaptation project cycle in an agile, efficient and effective manner.
3. The nominated NIE has the appropriate processes and management for implementing climate change adaptation projects, which in most cases means that implementation of these projects is one of its significant or core activities.
4. The nominated NIE promotes a zero tolerance for fraud and corruption that is clearly demonstrated by its top management; has the ability to take on the responsibility of the full climate change adaptation project cycle in an environment free from direct and indirect fraud and corruption from its own staff and from third parties; has its own avenue and/or



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Grants to support accredited NIEs

Technical assistance grant for the environmental and social policy and the gender policy (TA-ESGP) – up to US\$ 25,000

- To help strengthen the capacity of national implementing entities to put in place safeguards to address social and environmental risks as well as gender related issues posed by adaptation projects and programmes
- Support in one or more of the following:
 - Developing procedures/manuals/guidelines for screening projects for ES risks as well as gender-related risks;
 - Developing procedures/manuals/guidelines for undertaking ES risk assessments, gender assessments and for formulating risk management plans that are gender responsive
 - Developing Policies for public disclosure and consultation that are gender- responsive
 - Developing transparent, accessible, fair and effective complaint handling mechanisms
 - Training of staff

Grants to support accredited NIEs contd...

Technical assistance grant for the gender policy (TA-GP) – up to US\$ 10,000

- To enable NIEs that have previously received a TA Grant for ESP before the Fund's Gender Policy was in place to update their environmental and social safeguards by integrating gender within their social and environmental policies and procedures
- Support in one or more of the following:
 - Updating of existing procedures/manuals/guidelines for screening projects for ES risks with measures to avoid, minimize and/or mitigate adverse gender impacts in accordance with the Adaptation Fund's Gender Policy;
 - Development of procedures for undertaking gender assessments to determine the different needs, capabilities, roles and knowledge resources of women and men and to identify how changing gender dynamics might drive lasting change;
 - Development of a policy/avenues for public disclosure and consultation that are gender responsive
 - Development of transparent, accessible, fair and effective mechanisms for receiving and addressing complaints related to gender inequalities and other adverse gender impacts caused by projects/programmes
 - Training of staff for gender mainstreaming

Grants to support accredited NIEs contd...

Project Formulation Assistance (PFA) Grant – up to US\$ 20,000 per project available for undertaking of specialist technical assessments.

- Complement Project Formulation Grants (PFGs) available to support project preparation and design.
- Can apply at concept stage only (Projects following 2-Step approval process)
- Support any of the following assessments:
 - Environmental Impact Assessment (EIA)
 - Vulnerability Assessment (VA)
 - Risk Assessment
 - Other Environmental and Social Assessments for adaptation projects

Annual NIE seminar for accredited NIEs

- To facilitate experience sharing and learning
- AF to provide information that is useful to NIEs in performing their implementing entity role
- ❖ **Content drawn from NIE needs and feedback to AF**



Readiness webinars

- For accredited NIEs only
- Topics for discussion identified by NIEs
- 9th Webinar – October 2019



Guidance tools and other important documents:

- Instructions to proponents for proposal submission
- Guidance on self-screening, self-assessment;
- Description of and guidance on each ESP Principle;
- Guidance on how to present relevant E&S risks information in the concept or fully-developed proposal document



ADAPTATION FUND

Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy

1. The Adaptation Fund Environmental and Social Policy

The Adaptation Fund (the Fund) finances climate adaptation projects and programmes¹ for vulnerable communities in developing countries that are Parties to the Kyoto Protocol. The Fund's Environmental and Social Policy (ESP)², approved in November 2013 and revised in March 2016, ensures that projects and programmes supported by the Fund promote positive environmental and social benefits, and mitigate or avoid adverse environmental and social risks and impacts. Managing these risks is integral to the success of the projects/programmes and the desired outcomes are described in the 15 environmental and social principles (principles) of the ESP.

The ESP is operationalized at the Fund level at two key stages: during the process of preparing Implementing Entities (IEs); and during the process of project and programme proposal review, both at the IE and the Adaptation Fund Board (the Board) levels. When preparing a proposal, it should be clear that: 1) the IE has identified the risks associated with the project/programme; 2) the IE has identified the risks associated with the project/programme; and 3) the IE has identified the risks associated with the project/programme.

candidates demonstrate compliance with the ESP, which is briefly described in Box 1 below. The document provides practical information about the ESP and to support managing environmental and social risks of the project/programme. This document provides practical information about the ESP and to support managing environmental and social risks of the project/programme. This document provides practical information about the ESP and to support managing environmental and social risks of the project/programme.

Adaptation Fund Board

3 March 2017

GUIDANCE DOCUMENT FOR IMPLEMENTING ENTITIES ON COMPLIANCE WITH THE ADAPTATION FUND GENDER POLICY

- GP complementing and strengthening the overall approach for environmental and social risk management
- ESP Principle 5 - gender equality and women's empowerment one of principles that always apply and for which risks should be identified
- Important to look at gender responsive consultation, gathering gender disaggregated data to inform project planning and design

INSTRUCTIONS FOR PREPARING A REQUEST FOR PROJECT OR PROGRAMME FUNDING FROM THE ADAPTATION FUND

Project and programme proposals must be clear on the adaptation challenge to be addressed, the objective(s), what the project/programme will deliver when, how and by whom. Clear baselines, milestones, targets and indicators should be included to ensure progress and results can be measured¹. Programmes will generally be more complex and will require greater oversight and management which should be properly explained under Implementation Arrangements for programmes.

DATE OF RECEIPT. Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will fill in the date on which the proposal is received at the Secretariat.

ADAPTATION FUND PROJECT ID. Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will assign a number to your project/programme internally.

PART I: PROJECT / PROGRAMME INFORMATION

CATEGORY: Please specify which type of project you are proposing.

National Implementing



NGOs, Foundations, and Private Sector Entities



Bilateral, Multilateral Organizations



THE WORLD BANK
Working for a World Free of Poverty



CABEI

Central American Bank for Economic Integration



United Nations Framework Convention on Climate Change



KOICA
Korea International Cooperation Agency



Global Funds



CLIMATE INVESTMENT FUNDS



GCF
Green Climate Fund

Activities with partners

- ❖ Joint events/workshops
- ❖ Complimentarity of support on readiness (CTCN partnership)
- ❖ Network of providers of readiness support



WORLD RESOURCES INSTITUTE



Community of Practice for Direct Access Entities (CPDAE)



- ❖ Action Plan
- ❖ Governance charter
- ❖ Committee with Chair and vice-chair



CLIMATE FINANCE READY

Knowledge Exchange for Climate Finance Readiness

AF Readiness Programme

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Knowledge management resources for climate finance readiness

Activities and NIE funding windows under the MTS

❖ Project scale-Up Grants

- **Up to a maximum of US\$ 100,000 per project/programme**
- **Purpose:** to increase the readiness of accredited NIEs to expand or replicate AF projects that are based on country needs, views and priorities, in order to reach more people and/or broaden project/programme effectiveness
- Actual implementation of scale-up to be funded by various sources, e.g, other climate funds + other finance channels (including private sector)
- The types of activities that could be funded include:
 - ❑ Undertaking an assessment of project/programme scalability (which could include but is not limited to, for example, undertaking technical studies such as vulnerability assessment, feasibility study, socio-economic study, cost effectiveness study etc).
 - ❑ Consultation with public and private stakeholders for project/programme scale up.
 - ❑ Development and implementation of a scale-up strategy or development of a proposal for funding scaled-up activities.
 - ❑ Enhancing individual, organization or institutional capacity for scaling up through attending training, workshops, seminars and/or adapting policies and/or procedures in line with different contexts.

Activities and NIE funding windows under the MTS

❖ Country exchanges



❖ Chile, May 2019 – hosted by AGCID

Activities and NIE funding windows under the MTS

Action Pillar

- Window for “enhanced direct access”: US\$ 20 M per year (>10 grants)
- Scale-up microgrants: US\$ 200,000 per year (10 grants)

Innovation Pillar

- 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 Pillar

- South-South learning microgrants (<US\$ 150 K) for sharing practices, lessons (ca. 15 grants)

Thank You!



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www.adaptation-fund.org/

[@adaptationfund](https://twitter.com/adaptationfund)

Climate finance Ready

<https://climatefinanceready.org/>

