ADAPTATION FUND

Overview of the Fund and Access to Adaptation Fund Resources

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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
The Adaptation Fund was established under the Kyoto Protocol of the UNFCCC.
Projects approved by AFB since 2010

- 105 concrete projects and 36 readiness projects
- 30 concrete projects implemented by NIEs
- 63 implemented by MIEs
- 12 implemented by RIEs
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
Capacity-Building for Locally-led action through Finance

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)
Why become accredited?

Receive **direct finance transfers** to design, implement, and oversee climate projects

Build internal capacity and codify organizational systems

Garner international recognition
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
The number of direct access entities is increasing

51 accredited Implementing Entities
- 32 national Implementing Entities (NIEs)
- 6 Regional Implementing Entities (RIEs)
- 13 Multilateral Implementing Entities (MIEs)
Adaptation Fund pioneered fully operational direct access to climate financing

- **Objectives:**
  - 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.

- **Implementing Entities (IEs):**
  - Bear full responsibility for the overall management of the projects and programmes approved by the AFB; and
  - Carry out financial management, monitoring and reporting responsibilities for the project.
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
Accreditation Related Documents

- Guidance on Accreditation Standards
- Accreditation Application Form
- NIE Accreditation Toolkit
- Guidelines for Designated Authorities to Select an NIE (to be updated)

Available at https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/