Adaptation Fund
Short-Term Consultant
Report defining the scope of application of the full cost of adaptation reasoning criterion, taking into consideration the programmatic developments of the Fund, and the views of the Fund’s relevant stakeholders and Board members

BACKGROUND

- The Adaptation Fund (the Fund) is an innovative financing mechanism set up by the Conference of Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), established to finance concrete adaptation projects and programmes in developing countries that are parties to the Kyoto Protocol and the Paris Agreement and are particularly vulnerable to the adverse effects of climate change. The Fund guided by its five-year Medium-Term Strategy and Action Plan, approved in 2018 and based on pillars of Action, Innovation, and Knowledge and Sharing.

- At its second meeting in November 2006, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) decided that the Fund would be guided by a series of principles, among which was “Funding on full adaptation cost basis of projects and programmes to address the adverse effects of climate change” (Decision 5/CMP.2). In December 2008, the Parties adopted through Decision 1/CMP.4, the Strategic Priorities, Policies and Guidelines of the Adaptation Fund which specifies in Annex IV that “Funding for projects and programmes will be on a full adaptation cost basis to address the adverse effects of climate change”.

- For the Adaptation Fund, the full-cost of adaptation has been interpreted as “the costs associated with implementing concrete adaptation activities that address the adverse effects of climate change”, as specified in the OPG main text. Further, as stated in the OPG annex 5 “the proposal should demonstrate that the project/programme activities are relevant in addressing its adaptation objectives and that, taken solely, without additional funding from other donors, they will help achieve these objectives. Although co-financing is not required, it is possible and often cost-effective to implement Adaptation Fund projects in parallel with projects funded from other sources. In such a situation, the Adaptation Fund project should be able to deliver its outcomes and outputs regardless of the success of the other project(s)”.

- In the recent project and programme review cycles, the secretariat has been receiving more concrete proposals and innovation small grants for the Board’s consideration, which present different blended financing schemes and implementation modalities. Given the current interpretation of the full cost of adaptation, which in case of co-financing requires that the Adaptation Fund project proves to be able to deliver its outcomes and outputs regardless of the success of the other project(s), the technical review function of the Fund currently lacks the means to evaluate and/or provide guidance to the proponent on how a project that blends finance could demonstrate this.

- The Fund is recruiting a Short-Term Consultant to undertake the task of producing a brief report including elements for defining the scope of application of the full cost of adaptation reasoning criterion,
specifically matters related to co-financing, taking into consideration the programmatic developments of the Fund, and the views of the Fund’s relevant stakeholders and Board members.

- The consultant will report to the Climate Change Specialist of the AF who will be supported in the supervision by the Senior Climate Change Specialist (project origination) at the Fund.

**DUTIES AND RESPONSIBILITIES**

- Document the guidance from the UNFCCC and the Adaptation Fund Board related to the evolution of the concept of the cost of adaptation;
- Conduct an analysis of existing interpretations and practices of other organizations related to the costs of adaptation including a typology of co-financing (including loans, grants, guarantees, etc.; blended, parallel, in-kind finance, etc.);
- Conducts interviews with other climate funds and other financiers (MDBs; relevant UN organizations) to have an overview on how adaptation investment models applied are structured in relation to co-financing, reflecting the above mentioned typology and outlining critical factors in selection between types (including factors stemming from the organizations’ respective mandates and policies, those arising from recipient priorities and those determined for each investment specifically for, inter alia, greater impact, efficiency or sustainability);
- Undertake an analysis on the co-financing status in the submitted proposals for the Adaptation Fund Board’s consideration (regular and innovation small and large grant proposals);
- Develop a survey targeting relevant stakeholders of the Fund to have an overview of perspectives and experiences related to co-financing in Adaptation Fund projects (Implement Entities; Designated Authorities; Board members; AF NGO Network) and synthetize the results obtained;
- Assess issues and opportunities related to the different types of co-financing vis-à-vis the Fund’s operational and legal requirements.

**INDICATIVE OUTLINE OF THE REPORT**

- Introduction
- Methodology used to gather the information
- Background on the adaptation reasoning in the Adaptation Fund and guidance from the UNFCCC and the Adaptation Fund Board related to the evolution of the concept of the cost of adaptation
- Interpretation and experiences of other organizations related to the cost of adaptation and co-financing
- Practice of the Adaptation Fund and views of relevant Fund’s stakeholders on projects with co-financing
- Challenges and opportunities of co-financing for the Adaptation Fund funded project considering the Fund’s programmatic developments
- Conclusion

**SELECTION CRITERIA**

*Required:*

- Possesses a master’s degree in natural resources management, social policy, economics, environment or other field relevant to adaptation to climate change, and at least 10 years of relevant experience in the fields of climate change, climate finance, with a focus on adaptation or resilience;
- At least 3 years of relevant professional experience on climate change adaptation finance;
• Strong theoretical base in the area of adaptation to climate change and climate finance, combining a broad grasp of relevant theory and principles and of involved practices and precedent;
• Sound knowledge of the UNFCCC and international climate finance architecture;
• Familiarity with the Adaptation Fund;
• Excellent drafting skills, strong operational and analytical skills, and an ability to work as a member of a team;
• Ability to communicate fluently, both in writing and orally, in English.

Desired:

• Demonstrated experience in the development and/or analysis of financial mechanisms aimed at leveraging funding from international sources, public and/or private sector to fund environmental actions would be an asset;
• Experience in the estimation of costs and benefits of climate change adaptation/environmental actions would be an asset;

DURATION

• The number of days for the assignment is 15 days.
• The start date of the assignment is December 20, 2021.
• Final report expected by February 15, 2022.

TO APPLY

Please apply by sending an email to mdorigo@adaptation-fund.org, specifying which consultancy is being applied for, and attaching a recent resume.