



**ADAPTATION FUND**

# LEADING ADAPTATION FINANCE, DELIVERING TANGIBLE IMPACT

## **Deep dive project design**

Estefanía Jiménez – Climate Change Specialist

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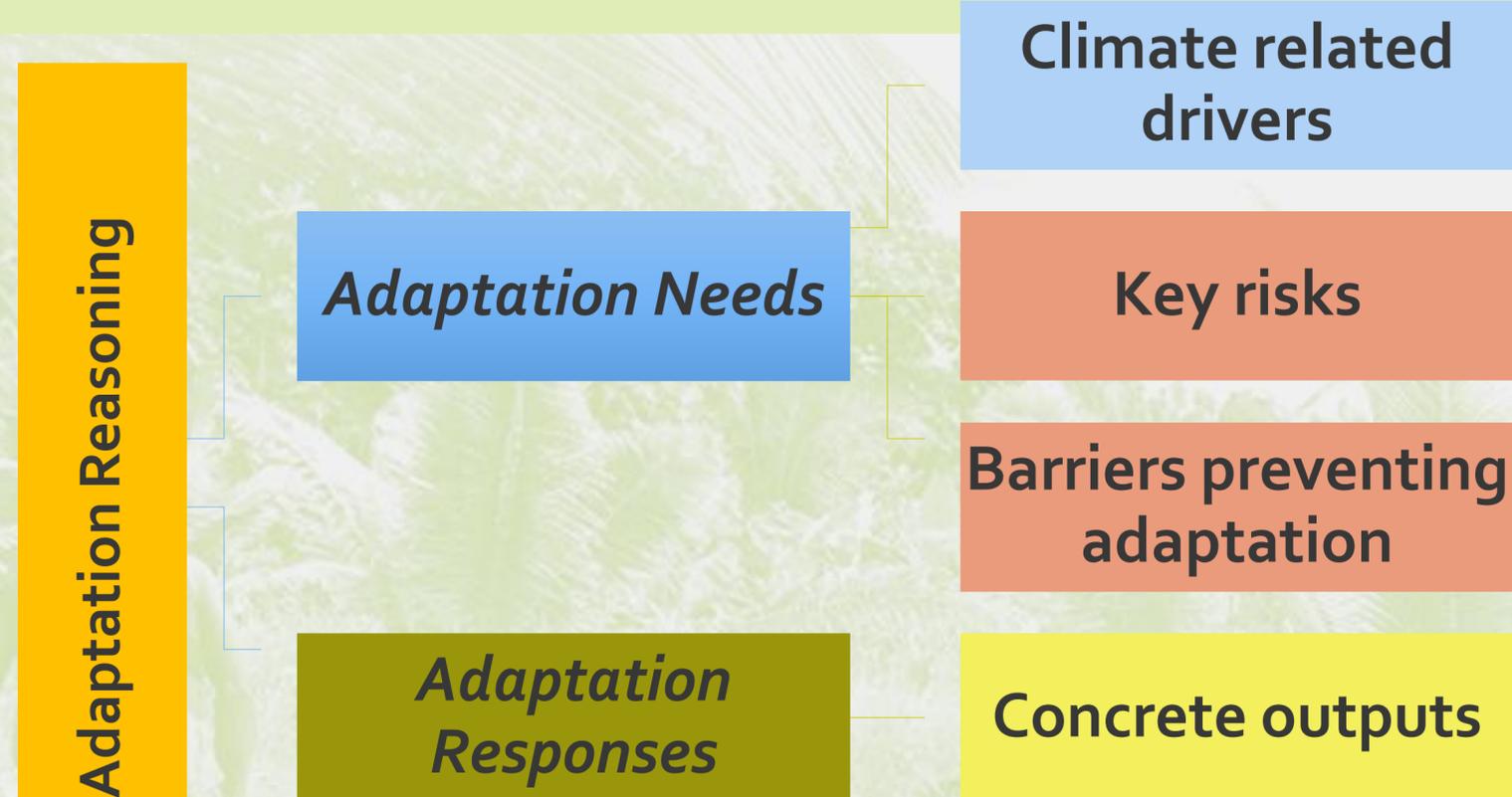
# **Understanding Adaptation Reasoning Scoping and Situation Analysis**

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# Adaptation Rationale- What is it?

Articulating the climate adaptation response needed in a community/country/area while considering the key climate drivers, risks faced by the community/country/area and barriers to overcome.



Adaptation Fund Lao PDR Project-Green Roofing



# Adaptation Rationale: Elements to consider

- Key strategic documents NAPs, NDCs etc.
- Addressing climate impact drivers,
- Improving the community/country/area ability to respond the impacts of climate change?
- Providing opportunities from the impacts of climate change present in the community/country/area.

How is this particular project responsive to the identified needs?



- What are the current climatic trends?
- What are the known impacts on the community?
- How have these been integrated into the proposed project?
- Are the proposed solutions community-led? Or are they an integral part of crafting the proposed solutions?

What is the current baseline context/situation analysis?



# What is a Climate Adaptation Rationale?

It's the *underlying logic* that explains why a proposed intervention qualifies as adaptation

E.g., "Rainfall has become erratic, leading to crop failure. The project introduces climate-smart agriculture and weather advisories."



It connects **stakeholder priorities** to **adaptation goals** and links those to **specific actions** and **benefits**

E.g., Community consultations + NAP priority on food security → Project focuses on crop diversification and training.



**Helps justify:**

E.g. Why is community-based water management prioritized? Because local sources are drying due to prolonged dry seasons.

Why this intervention?

For whom will it work?

What climate risks will it address?



# Why a Strong Adaptation Rationale Matters

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## **Improves design: Aligns interventions with real climate risks.**

E.g., Instead of generic livelihood support, the project targets flood-resilient aquaculture based on risk maps.

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## **Enhances equity: Makes clear *who* benefits and *how*.**

E.g., Focuses on Indigenous women in mountainous regions who are particularly vulnerable to landslides.

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## **Supports learning: Facilitates tracking of what works and why.**

E.g., Mid-term review can assess if improved drainage has actually reduced flood days in peri-urban neighborhoods.

E.g., M&E indicators should link back to the rationale—tracking reduced exposure or improved adaptive capacity.

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## **Builds credibility: Justifies adaptation funding with transparency.**

E.g., Strong rationale helps defend budget choices and demonstrate how adaptation goals are met.

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***Priorities → Interventions → Adaptation Benefits → Outcomes***



# Presenting an Adaptation Rationale When Data Is Limited

## Acknowledge data gaps transparently

- *E.g., “Local climate projections at district level are unavailable, but national climate trend data and community observations show increasing variability in rainfall.”*

## Use qualitative and experiential evidence

- *E.g., Farmers in Northern Malawi report crop failure every 3–4 years due to shifting rainfall patterns; elders recall riverbanks breaching more frequently over the past decade.*

## Leverage proxy indicators and regional trends

- *E.g., IPCC and national reports show the Sahel region will face more frequent droughts; although localized data is missing, adaptation options are consistent with regional risk projections.*

## Focus on vulnerability pathways

- *E.g., Women-headed households rely on rain-fed agriculture, lack irrigation or savings; the project builds food storage and water access to reduce exposure and sensitivity.*

## Use participatory assessments and perception data

- *E.g., Focus groups in coastal Bangladesh identified salinization and drinking water shortages as top concerns—project responds with rainwater harvesting systems.*

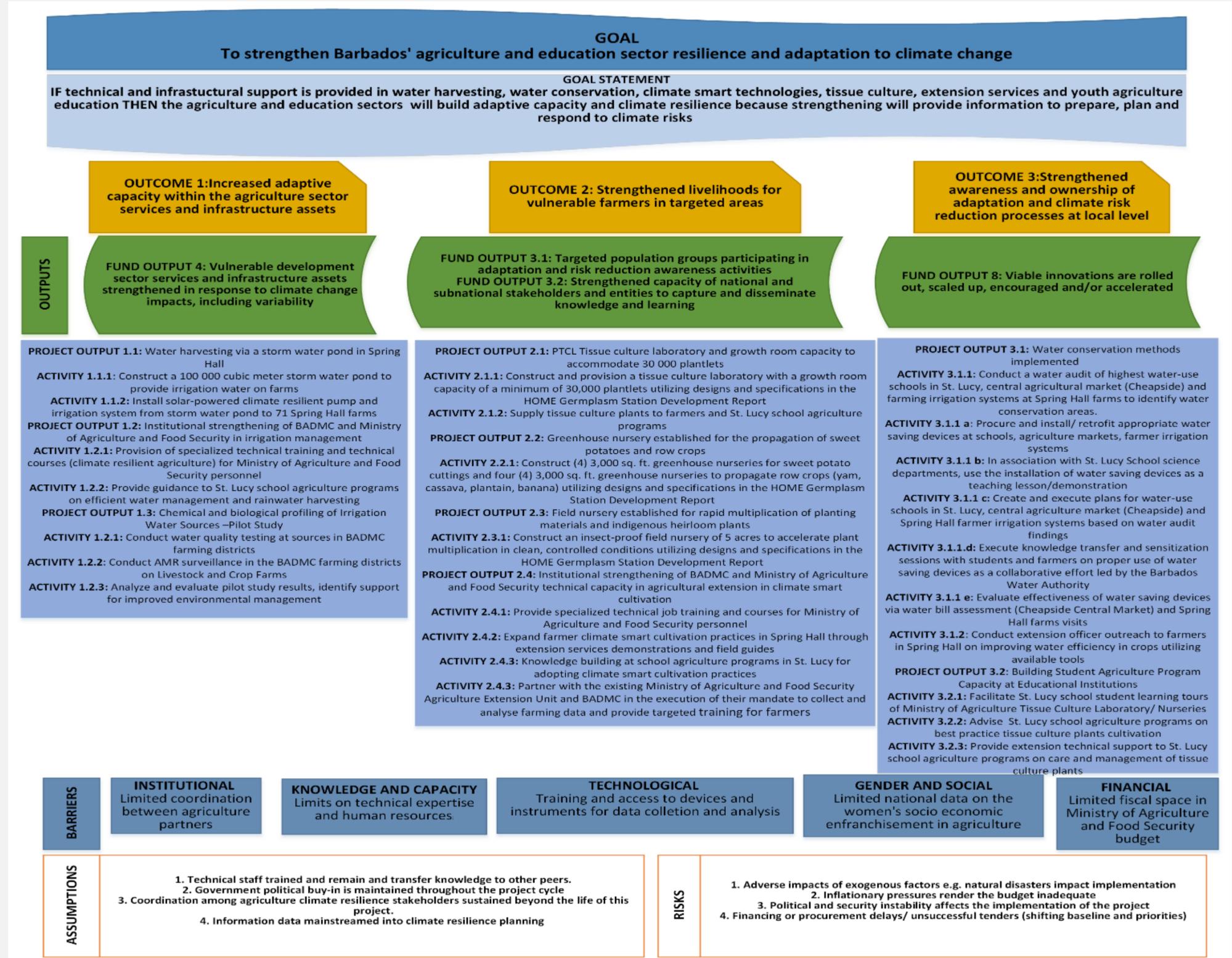
## Highlight alignment with national priorities

- *E.g., “This intervention aligns with the country’s NDC (Priority 3: resilient agriculture) and the NAP’s call for improved water access in climate-vulnerable districts.”*



# Example:

## Building Climate Resilience in Barbados - Sustainable Water Management in the Agriculture Sector and Educational Institutions



# Understanding sustainability

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# Sustainability

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- The Adaptation Fund focuses on **building local capacities** and targets sustainable interventions that **catalyse impact beyond the project/programme lifetime**
- The long-term **sustainability** of the proposed intervention, and the potential for **replication and scale-up** need to be considered during project design





# Key Considerations



Checklist	Concept Note	Full Proposal
The adaptation benefits achieved with the help of the project/programme can be sustained after its end, and enable replication and scaling up with other funds after its end.	✓	✓
The proposal explains the arrangements through which this would be achieved, taking into account sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other capacity to be improved, etc.	✓	✓
All key areas of sustainability are addressed, including but not limited to economic, social, environmental, institutional, and financial.	✓	✓





# Sustainability Example

## Coastal Adaptation and Resilience Initiative - St. Kitts and Nevis (CARI-SKN)



- ✓ Economic and financial sustainability
  - Developing a comprehensive Integrated Coastal Zone Management Plan and Strategy which will lay the groundwork for securing additional financing for critical coastal adaptation measures.
- ✓ Institutional
  - Establishment of a new Coastal Zone Management Committee.
- ✓ Social
  - Inclusion of local communities in vulnerability assessments.
- ✓ Environmental
  - The project's knowledge management component ensures the long-term adoption of successful strategies by documenting lessons learned, best practices, and effective coastal adaptation measures.



# Understanding Cost effectiveness

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# COST EFFECTIVENESS



A project or programme must explain cost effectiveness

This may include:

- Logical explanation of the selected scope and approach
- Sustainable point of view
- Alternative options to the proposed measures
- Comparisons to other possible interventions that could have taken place
- In the case of regional proposal, in addition to above, should demonstrate the regional approach is cost effectiveness





# Proposal Example – Bangladesh: Large Innovation



## **Brief Contents:**

- Introduce of an innovative water filter system with a participatory approach
- Active community engagement, focusing on long-term local ownership and maintenance
- One key activity includes selling purified water through the project

## **Cost-Effectiveness:**

- Technology Comparison: The proposed RO system vs. other technologies
- Intervention Comparison: The proposed approach vs. traditional models
- Financial Sustainability: Revenue and cost analysis during and after the project
- Additionality: With grant vs. Without grant scenario





# Proposal Example – Bangladesh: Large Innovation



## Brief Contents:

- Introduce of an innovative water filter system with a participatory approach
- Active community engagement, focusing on long-term local ownership and maintenance
- One key activity includes selling purified water through the project

## Cost-Effectiveness:

- Technology Comparison
- Intervention Comparison
- Financial Sustainability
- Additionality

## Review Perspective:

- 1. Logical explanation of the selected scope and approach**
- 2. Sustainable point of view**
- 3. Alternative options to the proposed measures**
- 4. Comparisons to other possible interventions that could have taken place**



# Project Formulation Grants (Available to NIE, RIE, MIE)

	Less than USD 2M	USD 2M to 5M	USD 5M and above	Locally-led adaptation
Single country projects	\$50,000	\$100,000	\$150,000	\$150,000 +\$100,000*
Regional projects and programmes			\$150,000 (2 countries min.) +\$15,000 per additional country Max \$250,000	\$165,000 (3 countries min.) +\$15,000 per additional country Max \$350,000* <small>*(+ \$100,000 on a case-by-case basis)</small>

*Optional 3-step approach: All regional and single-country LLA only*



Maximum at *Pre-concept* stage is **20% of the maximum total PFG applicable** (only regional and LLA)





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## IE and EE fees

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- IE fee at or below **8.5% (single country)** or **10% (regional)**
  
- EE cost at or below **9.5% (single country)** or **10% (regional)**





# IE and EE fees



Cost item	Covered by IE fees	Covered by project execution costs (EE fees)	Not covered by AF grant
<b>Staff</b>	IE staff salary or time for Project oversight	Salary of Project staff	Government-seconded staff
<b>Monitoring and evaluation</b>	Mid-term evaluation costs Final evaluation costs Baseline study Supervision of preparation of annual Project reports and Project evaluation reports	Project financial reports RBM Office facilities, equipment and communications	Independent reviews or evaluations of the projects and programmes by AF Board
<b>Travel</b>	Project supervision missions and steering committee meetings	Travel related to Project execution	
<b>Audit</b>	Ensure compliance with Audit requirements	Project financial audit	





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# Thank you

Estefanía Jiménez

Climate Change Specialist

[estefaniajimenez@adaptation-fund.org](mailto:estefaniajimenez@adaptation-fund.org)