



ADAPTATION FUND
Readiness Programme
for Climate Finance

2025 AF Annual NIE Seminar

Workshop Report

8-10 September 2025

Addis Ababa, Ethiopia



Acronyms and Abbreviations

AF	Adaptation Fund
AFCIA	Adaptation Fund Climate Innovation Accelerator
CPDAE	Community of Practice for Direct Access Entities
DA	Designated Authority
ESP	Environmental and Social Policy
GCF	Green Climate Fund
IE	Implementing Entity
LLA	Locally Led Adaptation
MOFEC	Ministry of Finance and Economic Cooperation
MTS	Medium term Strategy
NIE	National Implementing Entity
PFGE	Project Formulation Grant
PPR	Project Performance Report
RIE	Regional Implementing Entity
RBM	Results-Based Management
SRF	Strategic Results Framework
TA	Technical Assistance

DAY 1

Introduction

The Adaptation Fund Board Secretariat (the secretariat) hosted the 2025 Annual Climate Finance Readiness Seminar for its accredited National Implementing Entities (NIEs) in partnership with the Ministry of Finance and Economic Cooperation (MOFEC) of Ethiopia, from the 8-10 September, in Addis Ababa, Ethiopia. The 3 Day Seminar was attended by a total of 60 participants, which included representatives from 30 NIEs of the Fund. The Climate Finance Readiness Seminar is a closed annual event for AF accredited IEs that provides a platform for learning and sharing experiences among IEs as well as between the AF secretariat and NIEs. It provides an opportunity for learning among peers and a space to engage in open dialogue to strengthen relationships, knowledge and enhance NIE confidence and capacity in accessing, delivering, and reporting on climate finance through the Fund's Direct Access modality. The seminar followed a participatory and adult learning approach and included one on one clinic sessions between secretariat staff and IEs that had specific issues to discuss related to the AF portfolio, processes and mandate.

Welcome Remarks

The director of the National Implementing Entity of Ethiopia, Mr. Yonas Getahun, Ministry of Finance and Economic Cooperation (MOFEC) opened his address by expressing his profound honor to speak on a matter central to Ethiopia's national development objectives and to the shared global responsibility for climate action. He underscored that the urgent challenge of climate change, and the critical role of adaptation finance, remain essential to safeguarding resilient societies and ensuring a sustainable future.

He underscored that climate change is a present and escalating reality for Ethiopia, manifesting through severe droughts, erratic rainfall, land degradation, and biodiversity loss that threaten livelihoods, food security, and economic stability, making adaptation essential for national resilience and long-term prosperity. He highlighted the critical role of the partnership between Ethiopia's Designated Authority, MOFEC and the Adaptation Fund in directing resources to the most vulnerable communities and ensuring that national priorities guide investment. Under this leadership, Ethiopia has delivered tangible adaptation results including climate-smart agriculture, improved water management, and landscape restoration. He emphasized Ethiopia's proactive climate leadership through its Climate Resilient Green Economy Strategy and transformative Green Legacy Initiative, which together demonstrate strong institutional capacity, accountability, and the effectiveness of Direct Access in empowering countries to manage climate finance and drive locally led solutions. He reaffirmed Ethiopia's commitment to enhancing resilience, expanding collaboration with the Adaptation Fund, and scaling up adaptation interventions to protect people and ecosystems, while calling on the international community to increase predictable and ambitious adaptation financing to match the urgency of the challenge.

This was followed by welcome remarks by Mr. Zerihun Getu of MOFEC who acknowledged the magnitude of the challenges that remain. The financing required to fully address adaptation needs continues to grow rapidly. Ethiopia's experience serves as a clear reminder that adaptation finance must increase significantly in scale, predictability, and accessibility. He conveyed that timely and sufficient funding for adaptation is not only a matter of climate justice, but also a necessary investment in global food security, stability, and sustainable economic growth. He concluded by emphasizing that climate change defines the current era, yet also presents opportunities to reshape development around principles of sustainability, equity, and resilience. Ethiopia, with continued support from the Adaptation Fund and other partners, is determined not only to withstand the impacts of climate change, but to thrive through climate-responsive innovation. He closed his remarks by reaffirming Ethiopia's enduring commitment to its people, to its partnership with the Adaptation Fund, and to the shared vision of a climate-resilient future.

Finally, the welcome remarks concluded by Ms. Neha Sharma, Results, Impact and Knowledge Unit Lead at the Adaptation Fund, who welcomed participants to the 2025 Adaptation Fund Annual NIE Seminar in Addis Ababa, recognizing Ethiopia's strong partnership and climate leadership through its accredited National Implementing Entity, the Ministry of Finance and Economic Cooperation. She highlighted the Adaptation Fund's growing role in delivering urgently needed adaptation finance, including record approvals of US\$ 137 million at its 44th Board meeting, increased national project caps from US\$ 20 million to US\$ 40 million, and nearly US\$ 1.4 billion committed to around 200 projects worldwide, advancing commitments made at COP29 to triple approved funding flows by 2030. She emphasized the NIE Seminar's purpose in strengthening national systems, building institutional capacity for Direct Access, and enabling the design of high-quality, locally led adaptation projects aligned with the Fund's Medium-Term Strategy (2023–2027). She underscored that transformative solutions emerge from communities themselves and affirmed the Fund's commitment to advocating for scaled-up, predictable adaptation financing ahead of COP30, while expressing appreciation for participants' continued partnership and engagement.

Day 1 highlights (Brief overview of funding opportunities and updates from the AF, deep dive project design and project life cycle overview): The welcome remarks were followed by an overview of the workshop's structure and objectives, delivered by Ms. Naysa Ahuja, Accreditation Officer at the Fund. Mr. Mikko Ollikainen, Manager at the Adaption Fund expressed that the mission and mandate of AF is to provide support to the most vulnerable nations, which is a necessity given shortage of funding to cope with challenge in front of us. The Fund's mandate is to finance concrete adaptation projects, and the second MTS build on the strengths of previous MTS, with a focus on LLA and enhancing complementarity with other climate finance providers. He highlighted that the Fund wants to ensure successful projects will be scaled globally and contribute to knowledge. He highlighted that the Fund is in full alignment with our commitment to enhancing country ownership and capacity building, and by fostering a culture of innovation, the Fund strives to enhance sustainability, cultivate ecosystem of innovation, and help pave way for a new generation of climate leaders. To meet the increased demand for funding, he requested the support of the IEs in raising awareness for the AF and for advocating its impact and support for developing countries.

Following this, the sessions combined group discussions with presentations. Led by Ms. Estefania Jimenez, climate change specialist, she underscored the essential elements of constructing a robust adaptation rationale, emphasizing alignment with national or sub-national strategies. Technical writing sessions focused on identifying both challenges and opportunities in defining effective rationales, with participants beginning to develop their respective concepts or proposals. Tailored guidance from AF staff facilitated the creation of equitable and contextually grounded adaptation rationales. The day concluded with structured brainstorming and guided writing activities, setting the stage for deeper technical engagement in subsequent sessions.

DAY 2

Day 2 highlights (Overview of accreditation and readiness support at the Fund, Integrating Environmental, Social, and Gender Safeguards and Gender reporting in PPR): Day two commenced with a recap of the previous day by Ms. Ishani Debnath, Climate Change Analyst at the Fund, and an introduction to the day's focus on overview of accreditation and readiness support, compliance with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP) and gender reporting in PPR.

Led by Ms. Naysa Ahuja, Accreditation Officer at the Adaptation Fund, she presented the accreditation process as a cornerstone of the Fund's governance and operational framework, serving both as a fiduciary safeguard and a mechanism to empower developing countries through direct access to climate finance. She ensured that the process ensures transparency, accountability, and national ownership while balancing rigorous due diligence with institutional capacity building. Conducted by the Adaptation Fund Accreditation Panel and supported by the Secretariat, the process evaluates whether applicant entities possess the institutional,

financial, and operational capacity to manage adaptation projects in alignment with the Fund's fiduciary, environmental, and gender safeguard standards. Built upon the three pillars of commitment, capacity, and compliance, accreditation requires entities to demonstrate robust financial management, transparent accounting practices aligned with international standards, sound internal controls, and adherence to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) regulations. Beyond financial integrity, it examines institutional capability in procurement, governance, project oversight, and performance monitoring. This was followed by a panel session with SANBI, South Africa, EPIU, Armenia and PACT, Belize who exhibited strong examples of strong anti-corruption frameworks, investigative powers, and operational grievance mechanisms while committing to the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP). Overall, the accreditation process strengthens accountability, promotes ethical and effective resource management, and enables direct, country-driven access to climate finance.

This was followed by Ms. Ishani Debnath who presented on the Readiness support available at the Fund. She underscored the type of support provided through the capacity building programme, specifically the Readiness Package Grant and Technical Assistance Grants. She focused on how the Fund provides targeted support to candidate entities seeking accreditation, which includes peer learning through South-South cooperation, expert technical guidance, and in-country workshops to help institutions close identified capacity gaps. Such an approach embodies the Fund's philosophy of building long-term institutional readiness rather than excluding entities based on initial capacity limitations. The session was followed with a panel session on the community of practice for direct access entities (CPDAE) led by Ms. Ishani Debnath, and the panel consisting of the Chair and Vice chair of the CPDAE. The panel explored the benefits and possibilities of joining the community, including the challenges the community is facing and how it is enhancing the readiness capacity of countries. The session concluded with a focus on Scalability. Ms. Debnath highlighted the Scale-Up Grant mechanism, which allowed entities to expand successful projects that have already demonstrated resilience benefits. This was followed by a panel session involving Fundecoperacion, Costa Rica and MOE, Rwanda, where participants engaged in discussions on the activities supported by scale-up, such as feasibility analysis, partnership development, and co-finance mobilization.

Finally, the day concluded with introduction to the compliance with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP) and national technical standards. Led by Ms. Estefania Jimenez and Ms. Young Hee lee, the sessions addressed the technical challenges of data collection, reporting on triggered ESP principles, and designing effective risk adaptation measures. Participants received detailed guidance on completing the ESP identification table at the concept stage, including project categorization and further assessment at the fully developed proposal stage. This preparatory session emphasized the importance of practical, context-specific learning and the application of technical standards in real-world settings. The session activities included group discussions, guided writing sessions and feedback on ESP and national standards, such as building codes and environmental impact assessments. Through a focus group activity, participants learned how to apply gender analysis early in the process to inform actions that ensure equitable participation and implementation of gender-responsive monitoring indicators and safe reporting mechanisms.

DAY 3

Day 3 highlights (Overview of Innovation and LLA, with focus on alignment with SRF): Day three commenced with a recap of the previous day by Ms. Ishani Debnath and an introduction to the day's focus on overview of Innovation and LLA at the Fund and alignment with the SRF. Moderated by Ms. Martina Dorigo, the sessions centered on integrating monitoring and evaluation (M&E) frameworks, budgeting, and indicator selection in alignment with the AF Strategic Results Framework (SRF). Participants worked in groups on identification of core indicator and alignment with SRF on a case study. Ms. Dorigo underscored how projects align with the Strategic Results Framework through clearly defined outcomes supported by robust baselines, measurable

indicators, and verifiable targets. This preparatory session emphasized the importance of long-term resilience requires clear strategies that ensure benefits extend beyond the project life cycle.

Finally, the session concluded with a focus on innovation and LLA led by Mr. Andrew Hollander, Climate Change Analyst. The session was highly interactive, using a mix of presentations, group discussions, and panel session. Participants discussed the concept of innovation in climate adaptation, discuss its relevance, and identify potential areas for innovation within their own contexts. The panel session, led by PKSF, Bangladesh, SANBI, South Africa and CSE, Senegal guided the discussions, provided real-time feedback, and encouraged peer-to-peer learning. The discussion focused on challenges and opportunities in innovation and LLA and adaptation within different contexts.

Closing Remarks

The Adaptation Fund 2025 Annual NIE Seminar in Ethiopia advanced the collective capacity of the NIEs in sustainable project design, safeguard-compliant, gender-responsive, and results-focused adaptation projects. Ms. Naysa Ahuja concluded the workshop by expressing gratitude for the active engagement and collaboration from all participants. He acknowledged the valuable peer learning and support that contributed to a deeper understanding of the AF accreditation and proposal development processes. The formation of new partnerships among IEs and the secretariat was highlighted as a key outcome. Participants were encouraged to continue developing and implementing their ideas, maintaining the momentum generated during the workshop.