



ADAPTATION FUND

The Role of Financing Mechanisms in Accelerating SDGs Implementation from an Environmental Perspective

Accelerating Effective Adaptation & Enhancing Access to Climate Finance - ADAPTATION FUND MEDIUM TERM STRATEGY FOR 2023-2027

Consultative Meeting on the Environmental Dimension of the Sustainable Development Agenda:
“Solutions and Action for SDGs implementation amid the triple planetary crisis” Beirut, 2 March 2023

Imèn Meliane— Programming Unit

Adaptation Fund at a Glance



Mandate to fund **concrete adaptation projects with tangible results on the ground**, in most climate-vulnerable developing countries & communities



Pioneer & leader on innovative 'Direct Access' & 'Enhanced Direct Access' modalities
(National Implementing Entities)



As urgency of climate change has risen, it has grown rapidly to almost **\$1B funding today**

Tangible results

IMPACT 1:

Reduction in vulnerability of communities and increased adaptive capacity of communities to respond to the impacts of climate change



10.65 million

DIRECT BENEFICIARIES

21.17 million

INDIRECT BENEFICIARIES

Number of direct beneficiaries is a conservative estimate, as it is not consistently reported (i.e. some projects report as no. of households)



516

EARLY WARNING SYSTEMS

Includes projects targeting several small scale EWS at the local level as well as those targeting one large regional system

IMPACT 2:

Strengthened policies that integrate climate resilience strategies into local and national plans



99

POLICIES INTRODUCED OR ADJUSTED TO ADDRESS

CLIMATE CHANGE RISKS

Includes any policy whether at the local, regional or national level

IMPACT 3:

Increased ecosystem resilience in response to climate change induced stresses



575,699 ha

HA OF NATURAL HABITATS
CREATED, PROTECTED OR
REHABILITATED RESTORED



162,275 m

M OF COASTLINE PROTECTED

Theory of Change of the Medium-Term Strategy (2023 – 2027)



GOAL

People, livelihoods and ecosystems are adequately protected from the adverse impacts of climate change with their adaptive capacity enhanced, resilience strengthened, and vulnerability reduced in the context of climate-resilient and sustainable development.

VISION

Developing country Parties are successfully enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change through inclusive and transparent processes consistent with their adaptation needs and priorities under the Paris Agreement.

MISSION

The Adaptation Fund serves the Paris Agreement by accelerating effective adaptation action and efficient access to finance, including through direct access, to respond to the urgent needs and priorities of developing countries. The Fund does so by supporting country-driven adaptation projects and programmes, innovation, and learning with concrete results at the local level that can be scaled up.



OUTCOMES: STRATEGIC PILLARS

Linkages and synergies between support for adaptation action, innovation and learning and sharing are enhanced

CROSSCUTTING THEMES

All of the Fund's activities and processes are designed to:

-  Promote locally based or locally led adaptation
-  Enhance access to climate finance and long-term institutional capacity
-  Empower and benefit the most vulnerable people and communities as agents of change
-  Advance gender equality
-  Enable the scaling and replication of results
-  Strengthen complementarity, coherence and synergies with other adaptation funders and actors

ACTION

Developing countries are supported in undertaking and accelerating high-quality, local-level and scalable adaptation projects and programmes that are aligned with their national adaptation strategies and processes

EXPECTED RESULTS

1. Vulnerability reduced, resilience strengthened, and adaptive capacity enhanced
2. Access to finance and institutional capacities enhanced
3. Evidence for effective action generated and results scaled up

INNOVATION

Modalities for funding the development and diffusion of innovative adaptation practices, tools and technologies are expanded and risk-taking is encouraged

EXPECTED RESULTS

1. New innovations and risk-taking encouraged and accelerated
2. Successful innovations replicated and scaled up
3. Access and capacities enhanced for designing and implementing innovation
4. Evidence base generated and shared

LEARNING & SHARING

Knowledge and evidence on effective and innovative adaptation action and finance, including local and indigenous knowledge, is generated and disseminated with various stakeholders for application

EXPECTED RESULTS

1. Knowledge generation and dissemination of learning on effective, innovative and local adaptation increased and expanded
2. Capacity to capture and disseminate learning strengthened
3. Knowledge partnerships expanded and outreach increased

AF Funding Opportunities under Strategic Pillars

ACTION	INNOVATION	LEARNING & SHARING
<p>Single country projects: up to \$10M & within cap of \$20M per country <i>All Accredited Entities</i> + Project Formulation Grants: up to \$50,000 – <i>for NIE only</i></p>	<p>Small grants (<US\$250 k) to foster innovation practices in climate change adaptation (NIE)</p>	<p>Learning grants (<US\$150 K) to share best practices and lessons learned (NIE)</p>
<p>Regional projects (2 + countries) (up to \$14M (RIE, MIE) + PFG</p>	<p>Small grants (<\$ 250k) in innovation for non accredited entities - AFCIA</p>	
<p><u>Enhanced Direct Access (EDA):</u> <u>US\$ 5 M per country (NIE)</u></p>	<p><u>Large grants (<US\$5 M)</u> to roll out innovative adaptation practices <i>Single country (NIE, RIE, MIE) or regional (RIE, MIE)</i></p>	
<p>Project scale-up grants: < US\$100k per project (NIE)</p>		

What to keep in mind- General



Concrete adaptation activities in the most vulnerable communities:

visible and tangible impacts at the local level that can be scaled up



No prescribed sectors or approaches: country-driven process that accommodates countries' priorities and adaptation reasoning



Finance the full cost of adaptation: No co-financing requirements



50% of portfolio for Direct Access: Total allocation for projects/ programmes submitted by MIEs cannot exceed 50% of cumulative resources



USD 20 million available per country under raised country cap

For single country projects, other grants available outside of country cap



Thematic areas



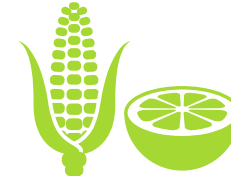
- Disaster Risk Reduction



- Nature-based solutions



- Coastal management



- Agriculture



- Water resources Management



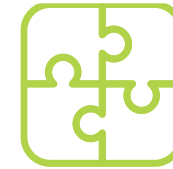
- Forests and Land Use



- Rural development



- Food Security



- Social innovation



- Urban adaptation



- Advancement of gender equality



- Enhancement of cultural heritage



- Focus on communities



- Inclusion of youth



- Innovative adaptation financing



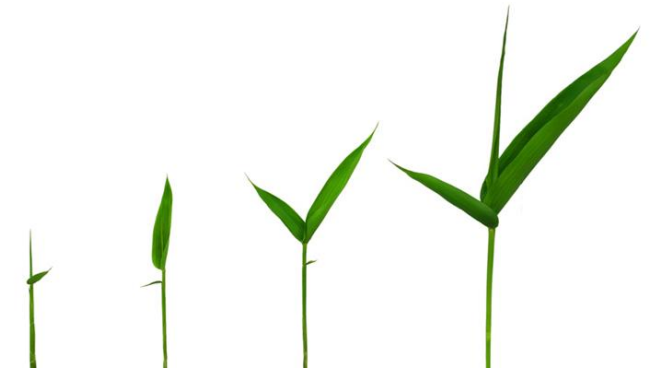
New strategic emphasis on promoting locally led action

- AF was part of process for developing the **Principles for Locally Led Adaptation Action** & Board endorsed Principles for LLA in 2021
- Refers to modalities for **devolving decision making** to the lowest appropriate level:
 - “Giving local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored; and how success is evaluated.”
(Source: *Global Commission on Adaptation, 2021*)
- AF Board will consider **funding modalities & other support** for LLA at upcoming AFB.40 Board meeting in March 2023



New emphasis on scaling up of results & strategic partnerships with other adaptation funders

- More support, guidance and partnerships for incentivizing **scalability and replicability** of results as part of project design and implementation
- **Leverage partnerships and synergies with other adaptation actors and funders** for more structured approaches to scaling up
- **Expand range of stakeholders & partnerships across operations** to maximize support to developing countries (incl. projects, readiness, innovation, knowledge management etc.)



For further information



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Helping developing countries build resilience and adapt to climate change



Medium-Term Strategy
2023-2027

Medium Term Strategy available on AF website: <https://www.adaptation-fund.org/document/medium-term-strategy-2023-2027/>

Overview of available funding opportunities & relevant links on AF website

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Adaptation Fund Funding Windows

	FUNDING TYPE	Accredited Entity Type	Maximum Funding Amount per Project/Program	How to Apply	Learning Resources
ACTION Action grants support eligible adaptation projects/programmes consistent with their priority needs, goals and strategies.	Single Country: For addressing climate change impacts in one country through tangible outcomes.	NE, NE+, ME	USD 10 million per Project/Programme*	Apply here for grant funding or technical assistance	Economic Direct Access: Unlocking Adaptation Funding in a Greenhouse of Practice for Direct Access , Knowledge for Direct Access: Unlocking Adaptation Funding
	Regional: For addressing climate change impacts in 2+ countries in the same United Nations region, or adjacent regions, through tangible outcomes.	RE, ME	USD 12 million per Project/Programme (including the PIGM)	Apply here for grant funding or technical assistance	Economic Direct Access: Unlocking Adaptation Funding
	Enhanced Direct Access: Supports bottom-up approaches through local knowledge and locally led action. Project selection occurs at national/sub-national level.	NE	USD 5 million per Project/Programme (including the PIG)	Apply here for grant funding or technical assistance	ECA guidance document
	Project Scale-Up: Supports planning, design and initial capacity to develop scale-up pathways for AF funded projects nearing completion or already completed.	NE	USD 100,000 per Project/Programme	Apply here	Economic Scale-Up Grants
INNOVATION Innovation grants support the development and demonstration of a fusion of innovative, tested and untested practices, tools and technologies.	Small (single country): To accelerate development of innovative practices, tools and technologies and demonstrate best practices for scale-up.	NE	USD 250,000 per Project/Programme	Apply here	Economic Knowledge Local Built
	Large (single country or regional): To roll out or scale up successful innovative practices, tools and technologies to a new country or at regional scale, reaching 2+ countries/regions.	NE, ME, RE**	USD 4 million per Project/Programme	Apply here	See innovation large grants guidance document available here
	Adaptation Fund Climate Innovation Acceleration: Administered by UNDP & UNEP/WHO to accelerate the development of innovative practices, tools and technologies and demonstrate best practices for scale-up.	Non-accredited	USD 250,000 per Project/Programme	Apply here for grant funding or technical assistance	AFIC Acceleration
LEARNING & SHARING	Learning Grants: support the generation and dissemination of practice knowledge about effective adaptation activities and financing modalities for actors across the world.	NE	USD 150,000 per Project/Programme	Apply here for grant funding	Economic Learning Grants
READINESS Readiness grants enable NE+ countries to keep accelerating with their hand and build capacity for understanding national climate change and/or regional climate change.	Readiness Support Package Grants: Facilitate the delivery of pre-activities, targeted and tailored readiness support for accreditation by developing countries.	NE	USD 100,000 per NE+	Apply here	Website: Readiness
	Technical Assistance Grant for the Environmental and Social Policy and Gender Policy: For NE+ to strengthen capacity to address and environmental and social risks, as well as gender related issues in their projects and programs.	NE	USD 15,000 per NE+	Apply here	Economic Direct Access: Unlocking Adaptation Funding
	Technical Assistance Grant for the Gender Policy: For NE+ with robust environmental and social policies to enhance measures to social resilience and to mitigate adverse gender impacts.	NE+	USD 10,000 per NE+	Apply here	Economic Direct Access: Unlocking Adaptation Funding

NOTE:
*NE+ and ME+ applying for single country projects through 2-step submission process (concept note fully developed proposal with concept note developed + [Project Formulation Paper \(PFP\)](#) up to USD 10,000 in addition to the USD 10 million grant.
**NE+ and ME+ applying for regional projects through 3-step submission process (pre-concept note, concept note, fully developed proposal) (concept note up to USD 20,000 with a pre-concept note and with a concept note up to USD 8000). Then using the 2-step submission process (concept note fully developed proposal) (concept note up to USD 10,000 in addition to the USD 10 million grant).
***For NE+ submitting proposals for large innovation grants, there is an opportunity to request a PIG of up to USD 20,000 per project, for a project for which PIG funding is sought. The total amount of funding inclusive of PIG cannot exceed USD 5 million. NE+ and ME+ submitting concept notes for large innovation grants for regional projects must request a PIG of up to USD 10,000. NE+ can apply to large country innovative large grants and ME+ and NE+ only can apply to regional innovative large grants.
****Open to a wide range of applicants, including local governments, NGOs, private organisations, charitable entities and others.



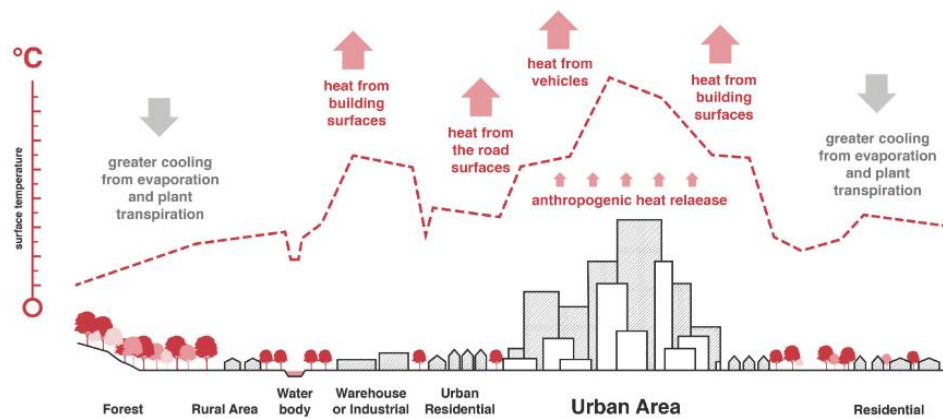
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Project Title	Implementing Entity	Country	Grant Amount (US\$)	Transferred Amount (US\$)	Sector
EMBRACING THE SUN: Redefining Public Space as a Solution for the Effects of Global Climate Change in Indonesia's Urban Areas	Partnership for Governance Reform (Kemitraan) of Indonesia	Indonesia	824,835	549,890	Urban development
Nature-based Climate Adaptation Programme for the Urban Areas of Penang Island	UN-Habitat	Malaysia	10,000,000	1,500,000	Urban development
Climate Change Adaptation through Protective Small-scale Infrastructure Interventions in Coastal Settlements of Cambodia	UN-Habitat	Cambodia	5,000,000	2,913,095	Urban development
Enhancing the resilience inclusive and sustainable eco-human settlement development through small scale infrastructure interventions in the coastal regions of the Mekong Delta in Viet Nam	UN-Habitat	Viet Nam	6,345,292	2,294,429	Urban development
Enhance community, local and national-level urban climate change resilience to water scarcity, caused by floods and droughts in Rawalpindi and Nowshera, Pakistan	UN-Habitat	Pakistan	6,094,000	2,868,775	Urban development
Building urban climate resilience in south-eastern Africa (Madagascar, Malawi, Mozambique, Union of Comoros)	UN-Habitat	Regional	13,997,423	10,702,973	Disaster risk reduction and early warning system
Artik city closed stonepit wastes and flood management pilot project	Environmental Project Implementation Unit	Armenia	1,435,100	1,435,100	Urban development
Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America (Chile, Ecuador)	Development Bank of Latin America	Regional	13,910,400	12,364,523	Disaster risk reduction and early warning system
Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks	UN-Habitat	Fiji	4,235,995	1,797,380	Urban development
Enhancing urban resilience to climate change impacts and natural disasters: Honiara	UN-Habitat	Solomon Islands	4,395,877	2,202,550	Urban development
Enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in Lao PDR	UN-Habitat	Lao People's Democratic Republic	4,500,000	3,920,648	Disaster Risk Reduction
Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UN Development Programme	Solomon Islands	5,533,500	5,533,500	Urban development
Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor	UN Development Programme	Honduras	5,620,300	5,620,300	Water management



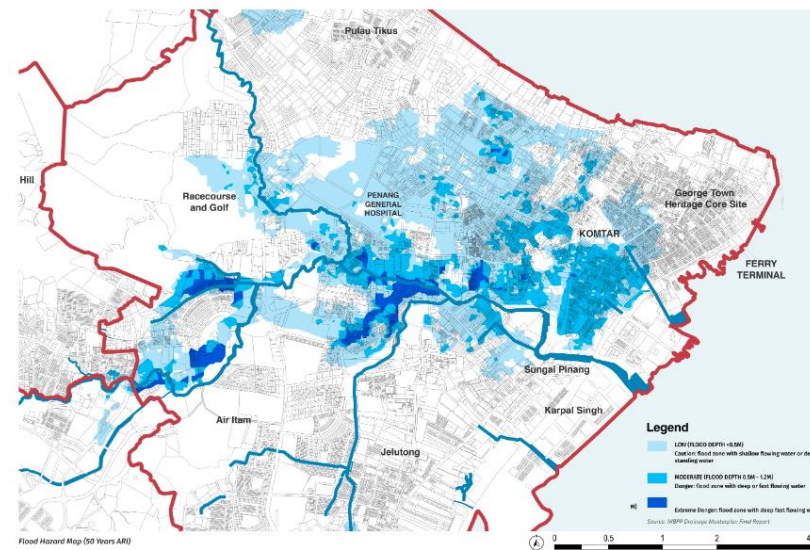
Nature-based Climate Adaptation Programme for the Urban Areas of Penang Island

The main goal of the programme is to enhance urban resilience and reduce human and ecosystem health vulnerability to climate change impacts and extreme weather events by implementing nature-based solutions (NbS) to reduce surface temperatures and storm water runoff, as well as to increase social resilience and build institutional capacity.



The urban heat island effect is related to urban areas having much warmer temperatures than nearby rural or natural areas. The difference in temperature between urban and less-developed rural areas has to do with heat absorption of hard surfaces

Urban Heat

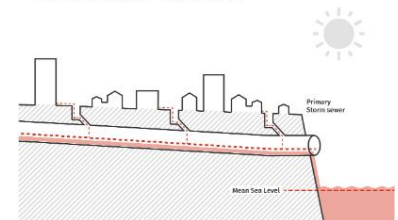


Flood Hazard Map (50 Years ARI)
Source: IWM (2018) Flood mitigation report for Penang Island

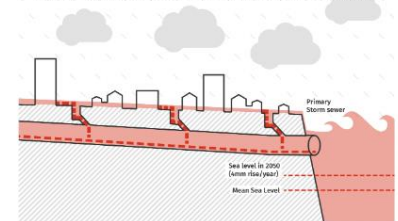
Flood-risk assessment is an important part of mitigating, controlling and preventing floods. The economic demand for flood control is measured by the difference between expected flood damage before and after flood-mitigation measures are initiated. Without an assessment, floods may cause damage to property, loss of life, disruption to services businesses or agricultural activity.

Urban Flood

Normal Weather Conditions



Heavy Rainfall, High Tide and Storm Surges



A combination of increased urbanisation, heavy rain, high tides and storm surges results in floods as stormwater is unable to discharge into the sea or infiltrate into the ground table. These two factors, 1) expanding built areas resulting in reduced stormwater absorption capacity and 2) increased volume and concentration of rainfall, has led Penang Island to become exposed to flooding.

programme components

Component 1:



Urban greening

- + Tree-lined streets
- + Pocket parks
- + Greening car parks
- + Greening built structures
- + Urban agriculture
- + Climate-resilient street trees' study

Component 2:



Stormwater management

- + Upstream retention
- + Blue-green corridors
- + Swales and infiltration wells

Component 3:



Social resilience

- + Comprehensive social vulnerability assessment
- + Youth and schools programme
- + Women and girls programme

Component 4:



Institutional capacity

- + Public health programme
- + Knowledge transfer platform
- + Penang Climate Board

programme objectives

- 1 To support the implementation of nature-based solutions to reduce flooding and overall urban temperatures
- 2 To build the resilience of local communities in response to extreme weather events and disaster
- 3 To empower women, youth, and vulnerable communities through strategic actions
- 4 To strengthen institutional capacity and coordination between different stakeholders in climate-related decisions
- 5 To develop the first municipal climate change adaptation programme in Malaysia

The project aims to benefit 343,739 directly and 311,257 indirectly. The project will also install an early warning system. In addition, the programme includes a community-focused approach as well as a strong **knowledge transfer component to ensure the methodology can be scaled and adopted in the near future by other cities in Malaysia and the region.**





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Thank you! شكرا

Imèn Meliane

✉ imeliane@adaptation-fund.org

🌐 www.adaptation-fund.org