



**THE LONG TERM EXPERIENCE OF THE ADAPTATION FUND IN
IMPLEMENTING LOCALLY LED ADAPTATION IN DEVELOPING
COUNTRIES**

Financing Locally Led Adaptation in Asia and the Pacific



ADAPTATION FUND

Adaptation Fund Overview

Established in 2001 and operationalized in 2007 under the Kyoto Protocol & since 2019 serving the Paris Agreement

Over US\$ 1 billion allocated to 156 concrete, localized adaptation projects in 112 countries

Pioneered Direct Access and Enhanced Direct Access modalities

Half of portfolio in LDCs & SIDS

One third of portfolio implemented through direct access entities

Country-driven and simplified access processes



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Medium-Term Strategy from 2023 to 2027: Mandate – Mission – Strategic Priorities

MANDATE

Finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting the cost of adaptation

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.



AF is amongst the first funders to endorse LLA Principles

- ❖ AF contributed to the development of LLA Principles developed by the Global Commission on Adaptation in 2021
- ❖ As of February 2024, close to 130 organizations and governments have endorsed the LLA principles, committing to make changes and strengthening existing efforts to meet this urgent and growing adaptation agenda.
- ❖ The list of organizations includes Ministries and agencies from both developing and developed countries as well as a number of bilateral funding agencies (AFD, Sida, USAID).
- ❖ A community of practice composed of organizations that endorsed the principles, and of which the Adaptation Fund is a member



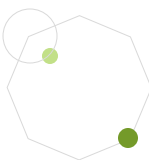
LLA in the global landscape of adaptation finance

- ❖ During the past few years, various funds and organizations have been developing programmes on locally-led adaptation. These include the Green Climate Fund, the GEF, The World Bank, The Asian Development Bank and bilateral agencies.
- ❖ The GCF's Strategic Plan identifies LLA as an important modality in its adaptation work.
- ❖ The GEF-8 strategy is also enhancing the implementation arrangement of the Small Grants Programme (SGP 2.0) financing community-led initiatives to address global environmental issues through a decentralized, country-level delivery mechanism.



LLA experiences in the Adaptation Fund's Enhanced Direct Access funding window

- The Adaptation Fund was the first climate fund to fully operationalize direct access to climate finance through National Implementing Entities (NIEs)
- The Fund also pioneered enhanced direct access (EDA), recognizing the high level of interest among the Fund's stakeholders on EDA, and a specific funding window on EDA was included in the first MTS implementation plan and approved by the Board in 2020.
- The funding available through the **EDA window is up to US\$ 5 million per country** and does not count against the cap of funding for single-country projects for each country.
- NIEs highlighted that devolving decision making at the local level, requires dedicated capacity building and technical assistance with the communities and local actors during the project development stage, which would require increased PFG grants for EDA.

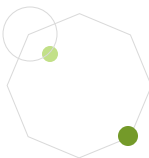


Insights from Adaptation Fund Climate Innovation Accelerator

- AFCIA was approved at AFB34, launched at COP25 and opened in November 2020 to a broad range of applicants, which did not need to be accredited with the Adaptation Fund. Since then, close to 50 grants have been awarded, via two MIEs functioning as aggregators; UNDP and UNEP-CTCN.
- More recently, AFB 40 approved two additional global programs, to be implemented by UNIDO and WFP.
- The maximum grant funding under AFCIA is US\$ 250,000.
- A key lesson from AFCIA is that the technical assistance that was provided along with the small grants was essential to the successful development and implementation of the small grants. Technical assistance included proposal preparation, business plans/implementation plans preparations, trainings and other tools and support.



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Consultations undertaken by AF secretariat

- ❑ Secretariat held consultations at COP28: 2 focus-group discussions, one side event and a survey, which enabled a direct engagement stakeholders and Organisations.
- ❑ Issues highlighted include:
 - ❑ Simplifying formats and requirements to apply for funding, (challenges in writing or communicating in English, capacity to understand complex operational procedures)
 - ❑ The diversity of local actors and their needs, size of grants should be flexible and commensurate with the needs.
 - ❑ LLA funding should also strengthen knowledge and awareness, organizational capacity, analyze vulnerability, identify the risks
 - ❑ The Fund should consider more programmatic rather than project-based approaches for LLA.



LOCALLY-LED ADAPTATION ACROSS FUNDING WINDOWS

ACTION



An innovative AF project is building resilience in vulnerable Colombian communities, and has been scaled up to achieve transformative impacts. *(Photo by UNDP)*



DIRECT ACCESS

AF has pioneered 'Enhanced Direct Access' to empower local farmers in South Africa with its NIE, SANBI. *(Photo by SANBI)*

LOCALLY-LED ADAPTATION ACROSS FUNDING WINDOWS



ENHANCED DIRECT ACCESS

Farmers at indigenous territory of Talamanca-Valle de la Estrella in Costa Rica restore a greenhouse to diversify production that conserves land and resources. The project won the international INNOVAGRO 2019 award for Social Innovation. *(Photo by Silvia Camareno)*



INNOVATION

AGCID in Chile is innovating new approaches to water management, including establishing emergency water access stations during drought through an AF innovation grant. *(Photo by Violeta Leiva Milanca)*



Mother & daughter harvesting taro in AF direct access 'PEARL' project in Cook Islands that installed culverts to protect crops from floods. *(Photo by Mel Tuiravakai)*

Thank you!



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