

# ADAPTASIA-PACIFIC

## DISCUSSION PAPER:

AN ASSESSMENT OF SPECIALIZED INTERNATIONAL FUNDS  
WITH AVAILABLE RESOURCES FOR CLIMATE CHANGE  
ADAPTATION PROJECTS IN ASIA AND THE PACIFIC

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This publication was produced for review by the United States Agency for International Development (USAID).  
It was prepared by AECOM International Development

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## Acronyms

AF	Adaptation Fund
AFB	Adaptation Fund Board
BAU	Business-as-usual
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
COP	Conference of the Parties
DA	Designated Authority
FSF	Fast Start Finance
GCCA	Global Climate Change Alliance
GCF	Green Climate Fund
GEF	Global Environmental Facility
ICCAI	International Climate Change Adaptation Initiative
ICF	International Climate Fund
ICI	International Climate Initiative
IPCC	Intergovernmental Panel on Climate Change
LDCs	Least Developed Countries
LDCF	Least Developed Countries Fund
MDB	Multilateral Development Bank
MIE	Multilateral Implementing Entity
NAPA	National Adaptation Programme of Action
NCF	Nordic Climate Facility
NDF	Nordic Development Fund
NIE	National implementing Entity
ODA	Official Development Assistance
PPCR	Pilot Program for Climate Resilience
REDD	Reducing Emissions from Deforestation and Forest Degradation
RIE	Regional Implementing Entity
SIDS	Small Island Developing States
SCCF	Special Climate Change Fund
UNFCCC	United Nations Framework Convention on Climate Change

## Executive Summary

Developed country parties to the UNFCCC agreed as part of the 2009 Copenhagen Accord to provide eligible developing countries worldwide with USD 30 billion in “fast start” finance for 2010-2012. In addition, agreement was reached on the “long term” goal to mobilize climate finance of USD 100 billion per year by 2020. As of June 2012, a large portion of the fast start finance has already been channeled from developed country donors to developing country recipients through multilateral development banks (MDBs), bilateral assistance programs and a pool of dedicated international climate funds and initiatives. At the same time, the international development community is still discussing potential sources of funding which could be mobilized to meet the ambitious long-term target.

International climate change funds are a key vehicle for developed countries to deliver their fast start climate finance commitments as per the 2009 Copenhagen Accord. While these funds have been financing a large number of mitigation and adaptation projects in developing countries in recent years, many funds have not yet committed substantial amounts of fast start-funded resources. This presents an opportunity for developing countries to tap into the remaining resources for investment in urgent adaptation actions.

This assessment estimates that there is approximately USD 260-500 million of funding available in the multilateral funds system which is open to project proposals from eligible developing countries globally. These combined resources are from the Adaptation Fund (AF), Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF). While the Pilot Program for Climate Resilience (PPCR) is the biggest multilateral fund for adaptation in terms of size, PPCR resources are not included in the above estimates because the fund is not openly available to developing countries globally. Bilateral funds also have substantial uncommitted resources though the exact total amount is unknown. Japan’s Fast Start Finance (FSF) and the UK’s International Climate Fund (ICF) are currently the two largest bilateral sources of climate finance with available funds. Funds that have allocated all resources for the time being are the EU’s Global Climate Change Alliance (GCCA) and the Australia’s International Climate Change Adaptation Initiative (ICCAI) but there is a possibility that the two donors will allocate new resources to fund the two initiatives or create new ones which include an adaptation objective.

Access mechanisms vary across the funds. For the multilateral funds, indirect access through multilateral institutions remains the norm, with the exception of the AF which reserves 50% of its resources for direct access by national implementing entities (NIEs). On the other hand, the bilateral funds use government-to-government consultations as a principal means of programming fund resources, in addition to contributing part of their resources to the multilateral funds. While both the multilateral and bilateral climate funds principally provide support in the form of grants, developing country recipients are often required to leverage investments by MDBs to co-finance projects with the grants. Agriculture, water resources, coastal management and disaster risk reduction figure prominently as priority sectors which have received most financing from the funds to date. Low income countries, least developed countries (LDCs) and small-island developing states (SIDS) are priority recipients for most funds.

The international climate funds complement other resources, including official development assistance (ODA) and government budgets, as important sources of adaptation financing in developing countries. However, gaining access to them can pose difficulties for developing country project proponents. Many developing countries lack the expertise and trained personnel to design adaptation projects and prepare the sophisticated technical proposals the funds require.

This assessment found that key technical gaps in adaptation project preparation and proposal development exist in the following areas: the design of concrete actions with clear adaptation benefits; the cost effectiveness of proposed interventions; the development of appropriate project implementation arrangements; the mechanism to ensure sustainability of project outcomes; and the avoidance of duplication of efforts with other ongoing initiatives. To address these gaps, the ADAPT Asia-Pacific project should support activities which strengthen project proponents’ understanding of the characteristics of adaptation actions. In addition, ADAPT Asia-Pacific’s

technical assistance in project preparation should build technical skills to analyze the cost effectiveness of alternative actions and design appropriate implementation arrangements.

Another potential role for ADAPT Asia-Pacific is to support countries to prepare themselves for direct access to international climate finance, including through participation in the NIE accreditation process. This assessment found that the key challenges experienced by countries in undertaking the AF's accreditation process are as follows: 1) selecting an appropriate NIE candidate; 2) preparing an NIE application with adequate supporting documents; and 3) continuing to strengthen certain institutional capabilities once having obtained accreditation. ADAPT Asia-Pacific can organize its technical support to institutions in selected target countries to assist with these three aspects. Such efforts would also contribute to strengthening institutional capacity of the countries in expectation of direct access to the future Green Climate Fund (GCF).

# An Assessment of Specialized International Funds with Available Resources for Climate Change Adaptation Projects in Asia and the Pacific

## Introduction

Adaptation to climate change has emerged as a top priority on the international development agenda in recent years. While climate change mitigation had previously dominated governments' and donors' attention, the findings of the fourth IPCC assessment report released in 2007 catalyzed a wide recognition that climate change is man-made and developing countries, especially the poorest, are the most vulnerable to the impacts of climate change that is already happening. Therefore, adequate attention must be given to respond to the current impacts of climate change as well as to prepare for future impacts (UNFCCC 2010a).

Climate-smart planning must incorporate adaptation actions to help communities and ecosystems cope with changing climate conditions. In developing countries, investing in such adaptation actions requires new and additional resources beyond baseline development investments. While the true costs of adapting to climate change remain unknown, many estimates of the costs have been produced in recent years. For example, the UNFCCC (2007) and the World Bank's Economics of Adaptation to Climate Change Study (2009) broadly provide similar estimates of USD 30–90 billion per year for developing countries by 2030 (UNFCCC 2010b and World Bank 2009). The World Bank's estimates were later revised to project the costs of USD 70-100 billion a year between 2010 and 2050 for developing countries to adapt to a world approximately 2 degrees Celsius (°C) warmer (World Bank 2010). However, these estimates were criticized (Parry et al 2009) as underestimating the true costs of adaptation potentially by a factor of two to three for the sectors covered, and could be even higher if other factors such as ecosystem services were to be included (UNFCCC 2010b). As for Asia and the Pacific alone, the Asian Development Bank (ADB) estimated that the costs of adaptation for developing countries in the region will be USD 40 billion annually to 2020 (McCauley 2011).

New cost-benefit assessment methodologies are being developed to estimate future adaptation costs. However, it is safe to say that funding requirements for adaptation are likely to run to several tens of billions of dollars annually, far outstripping current Official Development Assistance (ODA) flows (UNFCCC 2010a). To fill the resource gaps, multilateral and bilateral development institutions have established new funds and programs - or they have modified existing ones - to provide supposedly new and additional resources for adaptation projects in developing countries.<sup>1</sup> In 2009, developed country parties to the UNFCCC agreed as part of the Copenhagen Accord to provide eligible developing countries worldwide USD 30 billion in "fast start" finance for 2010-2012, while setting a goal of mobilizing "long term" finance of USD 100 billion per year by 2020. These commitments are expected to be met by both public and private resources and also to assure balanced allocations between adaptation and mitigation.

As of June 2012, a large portion of the fast start finance has already been channeled from developed country donors to developing country recipients through multilateral development banks (MDBs), bilateral assistance programs and a pool of dedicated international climate funds and initiatives. At the same time, the international development community is still discussing potential sources of funding which could be mobilized to meet the ambitious USD 100 billion long-term target. The newly established Green Climate Fund (GCF) is expected to be the primary channel for this funding, but the date for commencement of the GCF is still under discussion. Uncertainties related to the GCF, and the lack of new pledges of long term finance, have led developing

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<sup>1</sup> According to the World Resources Institute (WRI), "new" funding represents an increase relative to pledges or allocations from previous years, while funds that are "additional" ensure that their delivery does not result in the diversion of funds from other important development objectives. Parties to the UNFCCC have not yet achieved consensus on a clear and specific definition of 'additionality' and many methods have been proposed for defining additionality of different donors' fast start contribution. In practice, a number of pledged funds under the Copenhagen fast start commitments are also not new as they clearly include commitments already made in the past. See more discussion at <http://www.wri.org/publication/summary-of-developed-country-fast-start-climate-finance-pledges>

countries to raise concerns about the climate financing gap between 2013 and 2020. Closing the financing gap was a subject of debates at the UNFCCC's Bonn Climate Conference in May 2012<sup>2</sup>.

## ADAPT Asia-Pacific

International climate change funds are a key vehicle for developed countries to deliver their fast start climate finance commitments as agreed in the 2009 Copenhagen Accord. These funds have already been financing a large number of mitigation and adaptation projects in developing countries in recent years. Yet many funds still have not committed a substantial amount of fast start-funded resources. This presented an opportunity for developing countries to tap into the remaining resources to invest in urgent adaptation actions. However, gaining access to these funds can pose difficulties for developing country project proponents. The proliferation of these funds has created an understandable confusion about the funds, their purposes, access mechanisms, eligibility requirements, relationship of the funds vis-à-vis ODA, and their general financial terms and conditions. The manner in which the funds are managed internally and how beneficiaries are selected from different regions can lack transparency. On the demand side, many developing countries also lack the expertise and trained personnel to design adaptation projects and prepare the sophisticated technical proposals that the funds require.

The Climate Change Adaptation Project Preparation Facility for Asia and the Pacific (ADAPT Asia-Pacific) commenced operations in October 2011, with the objective to help governments in Asia and the Pacific accelerate their access to international climate change funds which provide resources for adaptation projects. This new regional program is supported by the U.S. Agency for International Development (USAID) Regional Development Mission for Asia (RDMA). Key program activities include identifying areas of technical weakness or lack of professional skills; building the ability of developing country nationals to prepare specialized adaptation projects through technical assistance, focused training, or peer-to-peer learning; creating or strengthening regional knowledge sharing networks and tools; and promoting regional networking and training through regional events, including an annual forum. All activities are designed to achieve the overall goal to increase adaptive capacity and resilience of communities to the negative impacts of climate change and enhance their access to adaptation finance.

## Purpose and Structure of the Report

This report is intended as a background technical assessment for the ADAPT Asia-Pacific project. While adaptation financing can come from multiple domestic and international sources, this assessment focuses on gaining an in-depth understanding of the existing pool of **international climate change funds** which can provide resources to finance adaptation activities in ADAPT Asia-Pacific's target countries<sup>3</sup>. Other sources of adaptation financing such as national budgets, private sector finance, philanthropy and ODA etc. are generally not covered in this assessment<sup>4</sup>. The assessment findings on the international climate change funds will inform the ADAPT Asia-Pacific project's strategy to engage with these funds and support target countries to access the funds' resources.

For the purpose of this assessment, the term "specialized" is used to refer to international climate change funds, programs or initiatives, both multilateral and bilateral, which were set up for the dedicated purpose of providing a stream of climate finance which is separate from funding from regular ODA and other resources of MDBs. While ODA is provided to promote economic development and welfare and can include concessional financial terms, it may still represent borrowing by the developing country. Moreover, there are generally limits set in terms of annual financial provision from individual bilateral or multilateral donors to any given country. Specialized

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<sup>2</sup> See a summary of the Bonn Climate Conference at <http://www.iisd.ca/vol12/enb12546e.html>

<sup>3</sup> Target countries currently include Bangladesh, Cambodia, India, Indonesia, Laos, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, Timor-Leste, and Vietnam. Eligible nations in the Pacific include: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

<sup>4</sup> The exception is Japan's Fast Start Finance which encompasses various financing instruments jointly classified as ODA.

climate change funds, on the other hand, are intended to be “new and additional” to ODA and the fund resources are expected to be allocated on a grant basis. For adaptation projects, ODA has been used in many cases to fund what is called “business-as-usual” (BAU) investments (referring to regular investments which developing countries have to make with or without climate change), while resources from the specialized funds generally finance the add-on components which specifically address the additional negative impacts of climate change.

This report is structured as follows: The first section provides an overview of the existing pool of specialized international climate change funds which can provide resources to finance adaptation projects in ADAPT Asia-Pacific’s target countries. In the second section, each fund is individually discussed to highlight key features. The annex includes a compendium of synthesized information on all the funds, as a reference for potential project proponents in ADAPT Asia-Pacific’s target countries.

The third section aims to shed light on the technical reasons why various countries are unable to access the funds. The adaptation project review criteria are outlined, and the main reasons for the rejection of projects are discussed. This is based on a review of a sample of unsuccessful project proposals which have been submitted to the Adaptation Fund (AF).

The fourth section draws specific attention to the direct access feature of the AF, analyzing the experience and lessons learned from the AF’s accreditation of national implementing entities (NIEs). The objective is to understand the AF’s accreditation requirements and consider the reasons why few institutions globally, with none from ADAPT Asia-Pacific’s target countries, have been accredited. This will also assist the identification of potential areas of capacity building support from ADAPT Asia-Pacific.

The final section summarizes the main findings of the assessment and makes recommendations for the ADAPT Asia-Pacific project going forward.

## I. Specialized International Funds with Available Resources for Climate Change Adaptation Projects in Asia and the Pacific: An Overview

This assessment was able to identify 11 international climate change funds which are relevant to ADAPT Asia-Pacific’s target countries (Table 1). Selection criteria specified the following:

- The fund was established with a dedicated objective to finance climate change adaptation activities, or includes a specific adaptation window;
- The fund is administered by a multilateral development institution, a regional institution, a donor government or a group of governments;
- The fund has been providing a continuous stream of resources for various adaptation programs and projects and is not a one-off grant to an individual project;
- ADAPT Asia-Pacific’s target countries are eligible in principle to access fund resources;
- Government institutions are eligible project proponents; and
- The fund is still active i.e.:
  - Fund resources have not been all committed or disbursed; or
  - Fund resources have been committed or disbursed but there is a high possibility of additional future funding, which would provide potential opportunities for ADAPT Asia-Pacific’s target countries to access future resources.

**Table 1: International Climate Change Funds with Available Resources for Climate Change Adaptation Projects in Asia and the Pacific**

Multilateral Funds	Bilateral Funds <sup>5</sup>
1. Adaptation Fund (AF) 2. Least Developed Countries Fund (LDCF) 3. Special Climate Change Fund (SCCF) 4. Pilot Program for Climate Resilience (PPCR)	1. Global Climate Change Alliance (GCCA) – European Union (EU) 2. Nordic Development Fund (NDF) 3. Nordic Climate Facility (NCF) 4. International Climate Initiative (ICI) – Germany 5. Japan's Fast Start Finance (FSF) 6. International Climate Fund (ICF) - United Kingdom 7. International Climate Change Adaptation Initiative (ICCAI) – Australia

The AF, LDCF, PPCR and ICCAI are dedicated instruments for financing adaptation, while the other funds provide resources for both adaptation and mitigation. Four funds – the AF, LDCF, SCCF and PPCR—were set up and are being managed by the multilateral agency system. Four funds are initiatives of individual bilateral donors, including Japan, Germany, Australia and the UK, and the remaining three funds were set up by a group of donor governments i.e. the Nordic countries and the EU member states. Table 2 summarizes and compares key information on the 11 funds.

<sup>5</sup> The EU’s GCCA and the two Nordic Funds are set up and managed by more than one government but in this paper they are also referred to as bilateral funds.

**Table 2: Summary and Comparison of Specialized International Funds with Available Resources for Climate Change Adaptation Projects in Asia and the Pacific<sup>6</sup>**

Fund Name	Fund Objectives	Fund Type	Resources pledged	Activities/sectors supported	Eligible countries	How can countries access fund resources?	Type of support provided	Website
<b>Adaptation Fund (AF)</b>	Adaptation	Multilateral	USD 312.98 million <sup>7</sup>	Concrete, stand-alone adaptation projects and programs. All projects supported must have a knowledge component	All developing countries that are Parties to the Kyoto Protocol	Through multilateral, regional, and national organizations which have been accredited by the Adaptation Fund	Grants. Project formulation grants (USD 30,000) are also available for National Implementing Entities	<a href="http://www.adaptation-fund.org">www.adaptation-fund.org</a>
<b>Least Developed Countries Fund (LDCF)</b>	Adaptation	Multilateral	USD 535 million	Preparation and implementation of national adaptation programs of action (NAPAs)	All LDCs	Through ten implementing agencies of the Global Environmental Facility (GEF)	Grants	<a href="http://www.thegef.org/gef/LDCF">www.thegef.org/gef/LDCF</a>
<b>Special Climate Change Fund (SCCF)</b>	Adaptation, Technology Transfer for Adaptation and Mitigation	Multilateral	USD 240 million	Long-term and short-term adaptation activities and technology transfer which are country-driven, cost-effective, and integrated into national sustainable development and poverty reduction strategies; and take into account national communications or NAPAs and other relevant studies and information	All developing country parties to the UNFCCC	Through ten implementing agencies of the GEF	Grants	<a href="http://www.thegef.org/gef/SCCF">www.thegef.org/gef/SCCF</a>

<sup>6</sup> Information in the table is synthesized from publicly available information on the funds. The public information was supplemented by email communication and face-to-face meetings, during the November 2011 to March 2012 period, between the author and key staff of some funds including the AF, LDCF, SCCF, PPCR, GCCA, Japan's FSF, and ICCAI.

<sup>7</sup> This figure is for projected resources by end-2012, as it includes revenue from monetized Certified Emission Reductions (CERs), from an international 2% levy on CDM projects) and contributions from donors. Resources in the Adaptation Fund are increasing steadily through continuing CER monetization, although the value of CERs continues to decline.

Fund Name	Fund Objectives	Fund Type	Resources pledged	Activities/sectors supported	Eligible countries	How can countries access fund resources?	Type of support provided	Website
<b>Pilot Program for Climate Resilience (PPCR)</b>	Adaptation	Multilateral	USD 1.2 billion	Scaled-up action and transformational change in integrating consideration of climate resilience in national development planning	Countries which are (a) eligible for ODA and (b) have an active country program with one of the multilateral development institutions	A priori selection of pilot countries by an independent expert group based on different vulnerability criteria	Grants, concessional loans, co-financing	<a href="http://www.climateinvestmentsfunds.org/cif/ppcr">www.climateinvestmentsfunds.org/cif/ppcr</a>
<b>Global Climate Change Alliance (GCCA)<sup>8</sup></b>	Main-streaming Adaptation (including DRR), and Mitigation (REDD and CDM)  The two pillars of the GCCA are: 1. Policy dialogue and exchange of experiences 2. Technical and financial support	Multilateral	EUR 262.15 million between 2008 -2013	The GCCA focuses its technical support along five priority areas: 1. Mainstreaming climate change into poverty reduction development strategies 2. Adaptation, building on the NAPAs and other national plans 3. Reducing Emissions from Deforestation and Forest Degradation (REDD) 4. Enhancing participation in the Clean Development Mechanism (CDM) 5. Disaster Risk Reduction (DRR)	73 LDCs and Small Island Developing States (SIDS) recipients of aid	Through assessment of country's vulnerability to climate change, adaptive capacity, and engagement in dialogue on climate change, the EC selects project countries to support. However, a developing country government can also initiate dialogue with an EU mission about receiving potential support from the GCCA.	Grants, budget support	<a href="http://www.gcca.eu">www.gcca.eu</a>
<b>Nordic Development Fund (NDF)</b>	Adaptation, Mitigation	Multilateral	NDF's Climate Portfolio as of December 2011 was 39 projects	The following three focus areas are relevant for NDF grants: infrastructure and energy, natural resources, and climate change related capacity building	27 low-income countries in Africa, Asia and Latin America. Eligible countries in Asia are Bangladesh,	Identification by governments in partner countries and through partnership between NDF and multilateral development banks.	Grants (large size - EUR 500,000 to EUR 4 million)	<a href="http://www.ndf.fi/index.php?id=35">www.ndf.fi/index.php?id=35</a>

<sup>8</sup> The GCCA is not a Multi-donor Trust Fund. GCCA Funds are European Commission programming Funds, to which EU Member States can contribute.

Fund Name	Fund Objectives	Fund Type	Resources pledged	Activities/sectors supported	Eligible countries	How can countries access fund resources?	Type of support provided	Website
			with a total value of EUR 106.6 million <sup>9</sup>		Cambodia, Kyrgyz Republic, Lao PDR, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Vietnam			
<b>Nordic Climate Facility (NCF)</b>	Adaptation, Mitigation	Multilateral	18 million EUR (6 million EUR per year since 2009)	Projects that have the potential to combat climate change and reduce poverty in low-income countries and promote the transfer of technology, know-how and innovative ideas between the Nordic countries and low-income countries facing climate change; sectors supported include energy, transport, water and sanitation, other areas related to natural resource management	27 low-income countries in Africa, Asia and Latin America. Eligible countries in Asia are Bangladesh, Cambodia, Kyrgyz Republic, Lao PDR, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Vietnam	NCF is based on annual calls for proposals; financing is granted to Nordic institutions which have established cooperation with partner(s) in eligible low income countries.	Grants (small size - EUR 250000-500 000)	<a href="http://www.nefco.org/en/financing/nordic_climate_facility">www.nefco.org/en/financing/nordic_climate_facility</a>
<b>The International Climate Initiative-ICI (Germany)</b>	Adaptation, Mitigation, REDD (Conservation of climate-relevant biodiversity)	Bilateral	120 million EUR per year (50% for adaptation, 50% for mitigation)	Adaptation, Mitigation, Agriculture, Disaster Risk Reduction, Energy Efficiency, Forestry, Populations & Human Settlements, Renewable Energy, Sustainable Land Management, Transport, Water	Global (Developing, newly industrializing and transition countries, Africa, Asia, Europe, Caucasus, Central Asia, Middle East and North Africa , Central and South America)	ICI is based on annual calls for proposals; projects are selected in a two stage procedure: 1) appraisal of project outlines and 2) review of full proposals. The funding decision is taken by BMU.	Grants, (interest-subsidized) loans, project-based contributions to international funds (ODA).	<a href="http://www.bmu-klimaschutzinitiative.de/en/about_the_ici">www.bmu-klimaschutzinitiative.de/en/about_the_ici</a>

<sup>9</sup> This amount includes disbursement under the Nordic Climate Facility –see the item below.

Fund Name	Fund Objectives	Fund Type	Resources pledged	Activities/sectors supported	Eligible countries	How can countries access fund resources?	Type of support provided	Website
<b>Japan's Fast Start Finance (Japan FSF)</b>	Adaptation, Mitigation, REDD	Bilateral	USD 15 billion (11 billion of public funding and USD 4 billion of private funding)	Adaptation, Mitigation, Agriculture, Disaster Risk Reduction, Energy Efficiency, Renewable Energy; over 50% of Japan's grant aid to be delivered for Africa and LDCs is devoted to adaptation	Asia, Africa, Latin America, with a focus on Africa, LDCs, SIDS	Through the Japanese Embassies and JICA's local offices, the Japanese Government develops projects in close consultation with the government of developing countries and international organizations in response to the needs of recipient countries; country involvement will be via bilateral channels	1) Official Development Assistance (ODA) <sup>10</sup> 2) Other Official Flow (OOF) <sup>11</sup>	<a href="http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf">www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf</a>
<b>International Climate Fund- ICF (United Kingdom)</b>	Adaptation, Mitigation - general, Mitigation - REDD	Bilateral	GBP 2.9 billion (DFID - GBP 1.8 billion, DECC - GBP 1 billion and DEFRA- GBP 100 million).	Adaptation (50%), low carbon development (30%) and forestry (20%); for adaptation, sectors supported include agriculture (food and farming systems), better preparation for disasters, water resources management, infrastructure and urban development, coastal areas, ecosystems, social protection, health	Developing countries most threatened by the risks of climate change	Proposals for ICF expenditure will be prepared for Ministers by an ICF Board comprising of Directors General from DECC, DFID, Foreign and Commonwealth Office (FCO), DEFRA, Her Majesty's Treasury (HMT), and chaired by DFID	Capital contributions (to multilateral funds) and grants (bilateral contributions)	<a href="http://www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx">www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx</a>

<sup>10</sup> Grant aid, technical assistance, concessional loans and contribution to multilateral funds.

<sup>11</sup> Co-financing of the Japan Bank of International Cooperation (JBIC), and private financing catalyzed by public financing.

Fund Name	Fund Objectives	Fund Type	Resources pledged	Activities/sectors supported	Eligible countries	How can countries access fund resources?	Type of support provided	Website
<b>International Climate Change Adaptation Initiative - ICCAI (Australia)</b>	Adaptation	Bilateral	AUD 328 million	Improved scientific information and understanding; strategic planning and vulnerability assessments; implementing, financing and coordinating adaptation measures, and multilateral support for climate change adaptation	Priority is countries in Asia and the Pacific, but also Africa and the Caribbean	Through grants application and bilateral assistance; assistance is delivered through a variety of channels—international organizations, pacific regional organizations, national governments and non- government organizations	Technical assistance, grants	<a href="http://www.ausaid.gov.au/aidissues/climatechange/Pages/adaptation_initiative.aspx">www.ausaid.gov.au/aidissues/climatechange/Pages/adaptation_initiative.aspx</a>

Tables 3 and 4 summarize information on available resources in the multilateral and bilateral funds respectively. The information is presented in terms of pledged, received, approved and disbursed amounts<sup>12</sup>.

**Table 3: Available Resources in Multilateral Funds**

Fund Name	Funds pledged (million USD)	Funds received (million USD)	Funds approved (allocated) (million USD)	Funds disbursed (million USD)
AF	<b>312.98</b> (Feb 2012)	<b>251.83</b> (Feb 2012)	<b>109.26</b> (Feb 2012 )	<b>17.19</b> (Mar 2012)
LDCF	<b>535</b> (Jan 2012)	<b>400</b> (Jan 2012)	<b>224</b> (Jan 2012)	<b>68.6</b> (Sept. 2011)
SCCF	<b>240</b> (Jan 2012)	<b>196.3</b> (Jan 2012)	<b>147.4</b> (Feb 2012)	<b>68.1</b> (Sept. 2011)
PPCR	<b>1200</b> (Nov 2011)	<b>700.54</b> (Nov 2011)	<b>148.38</b> (Jan 12)	<b>55</b> (Jan 12)

Source: The Author's compilation from various sources<sup>13</sup>.

<sup>12</sup> Definitions

- Funds pledged - The amount of money that donor(s) promises to contribute to the fund
- Funds Received - The amount of money that donor (s) already deposited in the fund's account
- Funds Approved - The amount of money that has been committed to projects
- Funds Disbursed - The amount of money committed which has already been disbursed.

- <sup>13</sup> AF - [www.adaptation-fund.org](http://www.adaptation-fund.org) (AFB/EFC.8/7 and funded projects)  
 LDCF - [www.thegef.org/gef/LDCF](http://www.thegef.org/gef/LDCF) and LDCF/SCCF Council documents.  
 SCCF - [www.thegef.org/sccf](http://www.thegef.org/sccf) and LDCF/SCCF Council documents  
 PPCR - Staff of the Climate Investment Funds (CIF), World Bank and the climate funds update website (<http://www.climatefundupdate.org/listing/pilot-program-for-climate-resilience> ).

**Table 4: Available Resources in Bilateral Funds**

Fund Name	Funds pledged (million USD)	Funds received (million USD)	Funds approved (allocated) (million USD)	Funds disbursed (million USD)
GCCA	N/A	N/A	344.5 <sup>14</sup> (March 2012)	N/A
NDF	N/A	N/A	139.9 <sup>15</sup> (Dec 2011)	N/A
NCF	23.6 <sup>16</sup> (March 2011)	N/A	N/A	N/A
ICI	N/A (Jan 2012)	N/A (Jan 2012)	834 <sup>17</sup> (Jan 2012)	N/A
Japan FSF	15,000 (March 2012)	N/A	N/A	12,500 <sup>18</sup> (Oct 2011)
ICF	4545.4 <sup>19</sup> (Dec 2011)	N/A	1,661.15 <sup>20</sup> (Dec 2011)	N/A (Dec 2011)
ICCAI	347.138 <sup>21</sup> (March 2012)	347.138 (March 2012)	347.138 (March 2012)	182 (March 2012)

Source: The Author's compilation from various sources<sup>22</sup>.

Available resources in the multilateral and bilateral funds are presented separately above because they cannot be directly combined or compared. The main reason is that the bilateral funds, including the UK's ICF, Australia's ICCAI, Japan's FSF and Germany's ICI, contribute a substantial part of their resources to recipients through the AF, LDCF, SCCF and PPCR. At the same time, these bilateral funds keep the remaining amount for the donors' own use in directly funding a separate set of bilateral programs and projects. This fund-of-funds aspect makes adding the entire amount of bilateral resources to those of the multilateral funds equivalent to significant double-accounting, thus overestimating the total amount of funding available.

In order to estimate the cumulative amount of resources still available for future projects, this assessment therefore makes two calculations. First, it estimates the remaining uncommitted resources in the multilateral funds (which already include contributions received from the bilateral funds so far), and then calculates the remaining resources in the bilateral funds which are still

<sup>14</sup> Calculated from EUR 262.15 million funds approved for the period 2008-2013.

<sup>15</sup> Calculated from NDF's climate portfolio as of December 2011 includes 39 projects with a total value of EUR 106.6 million.

<sup>16</sup> Calculated from EUR 18 million resulting from 6 million EUR per year from 2010-2012; three calls for proposals so far.

<sup>17</sup> Information from Programme Office International Climate Initiative.

<sup>18</sup> The disbursed amount is equivalent to USD 12.5 billion if counting funding from all sources since 2009 but will amount to USD 960 million if the counting of the Fast Start Finance is limited to the projects based on public financing and projects implemented from January 2010 onward.

<sup>19</sup> Calculated from GBP 2.9 billion committed between 2011 to 2015, out of which GBP 1.5 billion is part of UK's Fast Start Finance commitment between 2010-2012.

<sup>20</sup> Calculated from GBP 1.06 billion was committed in 2010 and 2011.

<sup>21</sup> This amount is pledged between 2008-2013.

<sup>22</sup> GCCA – Information from European Commission

NDF - [http://www.ndf.fi/fileadmin/resources/documents/NDF\\_newsletter\\_1\\_2012.pdf](http://www.ndf.fi/fileadmin/resources/documents/NDF_newsletter_1_2012.pdf)

NCF - [www.nefco.org/en/financing/nordic\\_climate\\_facility](http://www.nefco.org/en/financing/nordic_climate_facility)

ICI - Information provided by Programme Office International Climate Initiative

Japan's FSF - [http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012\\_en.pdf](http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf)

ICF - <http://www.dfid.gov.uk/Documents/publications1/fast-start-climate-change.pdf>

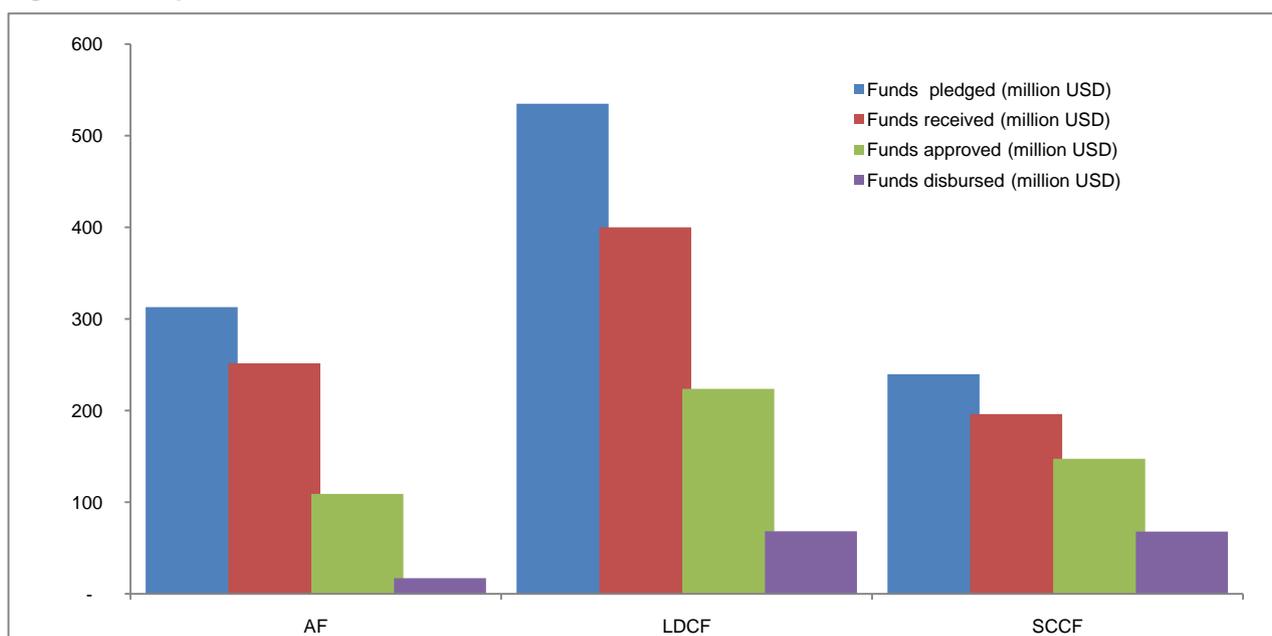
ICCAI - [http://www.ausaid.gov.au/keyaid/adaptation\\_initiative.cfm](http://www.ausaid.gov.au/keyaid/adaptation_initiative.cfm) and author's communication with Staff of the ICCAI

available for countries to tap into through bilateral programming. Adding the two amounts will roughly provide an estimate of the remaining resources in all the 11 funds.

**For the multilateral funds, it is estimated that approximately USD 260-500 million is still available to fund projects and programs in eligible developing countries globally.** This estimate is derived from combining the resources of the AF, LDCF and SCCF, which are the three multilateral funds which select projects to finance through an open project proposal submission process. By comparing the amounts pledged to the AF, LDCF and SCCF against the amounts they have allocated, it can be estimated that there is approximately USD 500 million of funding available, but the amount is reduced to approximately USD 260 million if the allocated amounts are compared to the actual deposited resources that the three funds have received from donors to date (Figure 1).

Compared to the AF, LDCF and SCCF, PPCR is actually the biggest multilateral fund for adaptation in terms of size. However, for the purpose of assessing available resources for future project proposals, PPCR resources are not included in the above estimates because the fund is not openly available to developing countries globally. While all countries which are ODA-eligible and have an active program with one of the MDBs are in principle eligible for PPCR, in practice, PPCR recipients have already been selected *a priori* by an independent expert group using transparent vulnerability criteria. As a result of this process, PPCR resources have been allocated to nine pilot countries and two regional programs<sup>23</sup>. In addition, a group of countries have been identified as second-tier candidates if additional PPCR funds become available. In this sense, both current and future PPCR resources are fully earmarked for a set of selected countries and regions, and therefore, are not funds which are globally available for other countries to tap into by submitting new project proposals.

**Figure 1 Comparison of Resources Available in the AF, LDCF and SCCF**



Source: Data from Table 3.

**Unlike the multilateral funds, it is unclear how much resources are still available in the bilateral funds mainly due to the lack of publicly available information.** While the multilateral funds generally report financial contributions from individual donors and the amounts actually approved and disbursed on a regular basis, tracking the same information for most of the bilateral funds is more challenging. For example, the GCCA, the ICI and the NDF do not announce a fixed amount of pledged resources to the initiatives; the only publicly available information on these funds is on the amount of money approved for projects to date without any detail on disbursements (Table 4). Another major bilateral fund is Japan's FSF which only provides

<sup>23</sup> See <http://www.climateinvestmentfunds.org/cif/ppcr>.

information publicly about the pledged and disbursed amounts without more elaboration of new projects which have been approved and are awaiting disbursements.

While estimating the total amount of available resources in the bilateral climate funds is difficult, this assessment suggests that **Japan's FSF and the UK's ICF are currently the two largest bilateral sources of climate finance for developing countries.** The information in Table 4, indicates that both Japan's FSF and the UK's ICF have sizeable uncommitted resources. How the two initiatives will program these remaining resources depend on each donor's strategic priorities as well as bilateral consultations with eligible developing country governments. As for smaller initiatives, the NDF, ICI and NCF also have resources available for future projects but the actual amounts are unknown. Funds that have allocated all resources for the time being are the EU's GCCA and Australia's ICCAI. However, a new phase of these bilateral initiatives is being considered by both donors.

In supporting adaptation activities, most funds define their objectives relatively broadly in funding projects and programs which reduce vulnerability and enhance adaptive capacity to climate change. For the GEF-administered LDCF and SCCF, adaptation activities are generally found to be no-regret measures<sup>24</sup> and must avoid maladaptation<sup>25</sup> (GEFEO 2012).

Mechanisms by which developing countries can access resources vary across the funds. For the multilateral funds, indirect access through multilateral institutions is the most common mechanism, with the exception of the AF which also allows direct access by developing country institutions. While the GEF has recently introduced direct access, it is only in the early stage of piloting this mechanism<sup>26</sup>. The GEF Council will decide whether to extend direct access to more countries after evaluating the pilot experience in a few years' time. On the other hand, the bilateral funds use bilateral consultations as a principal means of programming fund resources. Co-financing with MDBs is used by both multilateral and bilateral funds. Only a few bilateral funds use calls for proposals to reach out to potential project proponents (Table 5).

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<sup>24</sup> **No-regret adaptation:** Adaptation options (or measures) that would be justified under all plausible future scenarios, including the absence of manmade climate change. A related concept is "low regret adaptation". According to the World Bank, "low-regret adaptation options are those where moderate levels of investment increase the capacity to cope with future climate risks. Typically, these involve over-specifying components in new builds or refurbishment projects. For instance, installing larger diameter drains at the time of construction or refurbishment is likely to be a relatively low-cost option compared to having to increase specification at a later date due to increases in rainfall intensity." See the World Bank's Climate Change webpage: <http://climatechange.worldbank.org/climatechange/content/adaptation-guidance-notes-key-words-and-definitions>.

<sup>25</sup> **Maladaptation:** Any changes in natural or human systems that inadvertently increase vulnerability to climatic stimuli.

<sup>26</sup> The GEF Council has approved in May 2011 a pilot to accredit new institutions to serve as GEF project implementing partners. Accredited institutions will be called "GEF Project Agencies". Under the pilot, the GEF will be able to accredit up to 10 institutions. See [www.thegef.org/gef/agencies\\_accreditation](http://www.thegef.org/gef/agencies_accreditation).

**Table 5: Comparison of Fund Access Mechanisms**

Funds	Periodic review of project proposals	Calls for project proposals	A priori selection by an expert group or donor(s)	Project and program development through bilateral consultations	Co-financing with MDBs or other institutions	Direct access by developing country institutions	Indirect access through multilateral institutions	Partnering with institutions from donor country (ies)
AF	X					X	X	
LDCF	X				X		X	
SCCF	X				X		X	
PPCR			X				X	
GCCA			X	X	X	X		
NDF					X		X	
NCF		X			X			X
ICI		X		X	X	X	X	
Japan's FSF				X	X	X		
ICF				X	X			
ICCAI		X		X		X		X

Agriculture, water resources, coastal management and disaster risk reduction figure prominently as priority sectors across most funds. Other common considerations are the integration of funded activities with national development planning, especially NAPAs (AF, LDCF, SCCF, PPCR, GCCA), knowledge and capacity building (AF, NDF, ICI, Japan's FSF), and improvement of scientific understanding of climate change and technology transfer (SCCF, NDF, ICCAI).

Low income countries, least developed countries (LDCs) and small-island developing states (SIDs) are priority recipients for most funds. The AF and SCCF cover these groups of countries but are also open to all other developing country parties to the Kyoto Protocol and to the UNFCCC, respectively.

In terms of financing, grants are the most common instrument used by all funds. The grant modality is consistent with developing countries' views that developed countries were the main cause of global climate change due to historical emissions and therefore should finance the necessary adaptation. Three funds also use other forms of financing, including budget support (GCCA) and concessional loans (PPCR and ICI). Co-financing is required by most of the funds. Japan is the only donor which meaningfully leverages private sector financing.

## 2. Review of Key Features of Specialized International Climate Change Funds

This section discusses key features of the 11 funds identified in the previous chapter as relevant to ADAPT Asia-Pacific’s target countries. More information about the funds is provided in the funds compendium in the Annex.

### 2.1. Adaptation Fund (AF)

The AF is a multilateral fund under the UNFCCC and its Kyoto Protocol. The fund was established in 2001 to finance concrete adaptation projects and programs and became operational in 2009. The main governing body is the Adaptation Fund Board (AFB)<sup>27</sup>, with the Global Environmental Facility (GEF) serving as the interim secretariat and the World Bank as the interim trustee.

The AF is financed from the share of proceeds (2%) from the Kyoto Protocol’s clean development mechanism (CDM) project activities and voluntary contributions from donors. The fund will finance concrete adaptation projects and programs whose principal and explicit aim is to adapt to impacts of climate change and increase climate resilience. A concrete adaptation project/program is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. The activities should aim to produce visible and tangible results on the ground by reducing vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change, including climate variability. Stand-alone research is not eligible for funding. Research activities will only be supported if they are targeted to support concrete actions.

The AF funds stand-alone adaptation projects on the basis of the full costs of adaptation. Co-financing is not required. Indeed, co-financing is perceived as potentially presenting a degree of risk and uncertainty for the project cycle of the AF itself. As a result, countries may decide to use other sources of financing in a parallel manner to the AF resources but not as co-financing to the same project<sup>28</sup>. This is not necessarily how the MDBs view the AF. Indeed, some MDBs may consider the AF as a potential source of co-financing.

To access AF resources, multilateral, regional, and national organizations must be accredited by the AFB as implementing entities, after which they can submit project proposals for approval by the AFB. A proposal must be submitted at least nine weeks prior to an AF Board meeting. Up to 50% of the Fund’s resources can be accessed by multilateral implementing entities (MIEs), while 50% is reserved for direct access by national implementing entities (NIEs) and regional implementing entities (RIEs) combined. There is also a temporary maximum cap of USD 10 million per country. There are currently 12 NIEs, 10 MIEs and 1 RIEs (Table 6).

**Table 6: AF Accredited Implementing Entities**

NIEs	MIEs	RIEs
<ul style="list-style-type: none"> <li>• Centre de Suivi Ecologique (Senegal)</li> <li>• Planning Institute of Jamaica (Jamaica)</li> <li>• Agencia Nacional de Investigación e Innovación (Uruguay)</li> <li>• Fonds national pour l'environnement (Benin)</li> <li>• South African National Institute for Biodiversity (South Africa)</li> <li>• Protected Areas Conservation Trust (Belize)</li> <li>• Ministry of Natural Resources (Rwanda)</li> <li>• Ministry of Planning and International Cooperation (Jordan)</li> <li>• Mexican Institute of Water Technology (Mexico)</li> <li>• Unidad para Cambio Rural (Unit for Rural Change) (Argentina)</li> <li>• National Environment Management Authority (Kenya)</li> <li>• National Bank for Agriculture and Rural Development (India)</li> </ul>	<ul style="list-style-type: none"> <li>• The World Bank</li> <li>• ADB</li> <li>• AfDB</li> <li>• IADB</li> <li>• UNDP</li> <li>• UNEP</li> <li>• IFAD</li> <li>• WFP</li> <li>• WMO</li> <li>• UNESCO</li> </ul>	<ul style="list-style-type: none"> <li>• Banque Ouest Africaine de Développement (BOAD) (West African Development Bank)</li> </ul>

Source: AFB Secretariat

<sup>27</sup> The AFB is composed of 16 members and alternate members representing: 5 UN regions, LDCs, SIDS, Annex I Parties, Non-Annex I Parties.

<sup>28</sup> Author’s conversation with staff of the AFB Secretariat.

Regular adaptation project and program proposals i.e. those that request funding exceeding USD 1 million, would undergo either a one-step or a two-step approval process. A small-sized project (less than USD 1 million) would undergo a one-step process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Program Review Committee (PPRC) and would be endorsed, not endorsed or rejected by the Board. In the second step, the fully-developed project/program document would be reviewed by the PPRC, and would be approved, not approved or rejected by the AFB.

The AFB Secretariat conducted an analysis of its current portfolio and pipeline as of November 2011. The following are key findings:

1. From June 2010 to September 2011, 32 concepts and 18 full proposals were submitted. The small-sized projects and programs window has never been used. The project approval/endorsement rate is around 61% (Table 7).

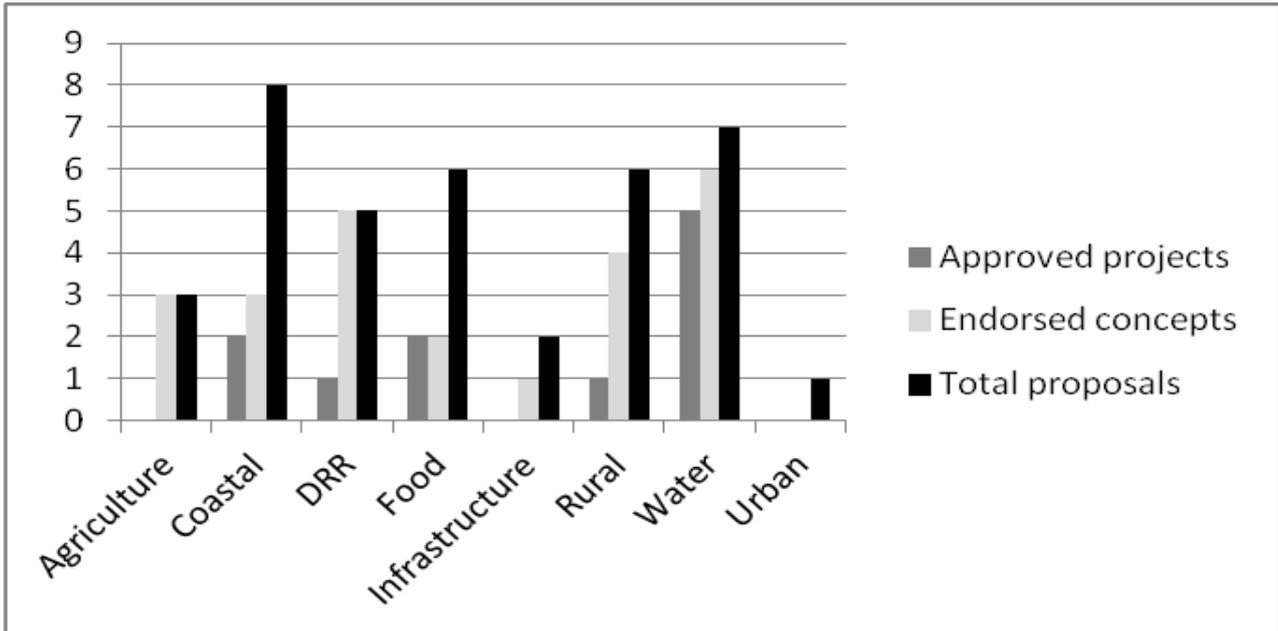
**Table 7: AFB Endorsed and Approved Project Concepts and Proposals**

	Endorsed concepts	Concepts endorsed at first submission	Approved proposals	Proposals approved at first submission
<b>Number</b>	22	17	11	7
<b>Total number submitted</b>	32		18	
<b>% of total submitted</b>	69	53	61	39
<b>% of total endorsed/ approved</b>	-	77	-	64

Source: The AFB Secretariat, presentation made at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

2. The majority foci of received project proposals are for coastal management, water resources management, and then equally food security and rural development. The majority foci of approved projects are within water resources management, followed equally by coastal management and food security, then by disaster risk reduction and rural development (Figure 2).

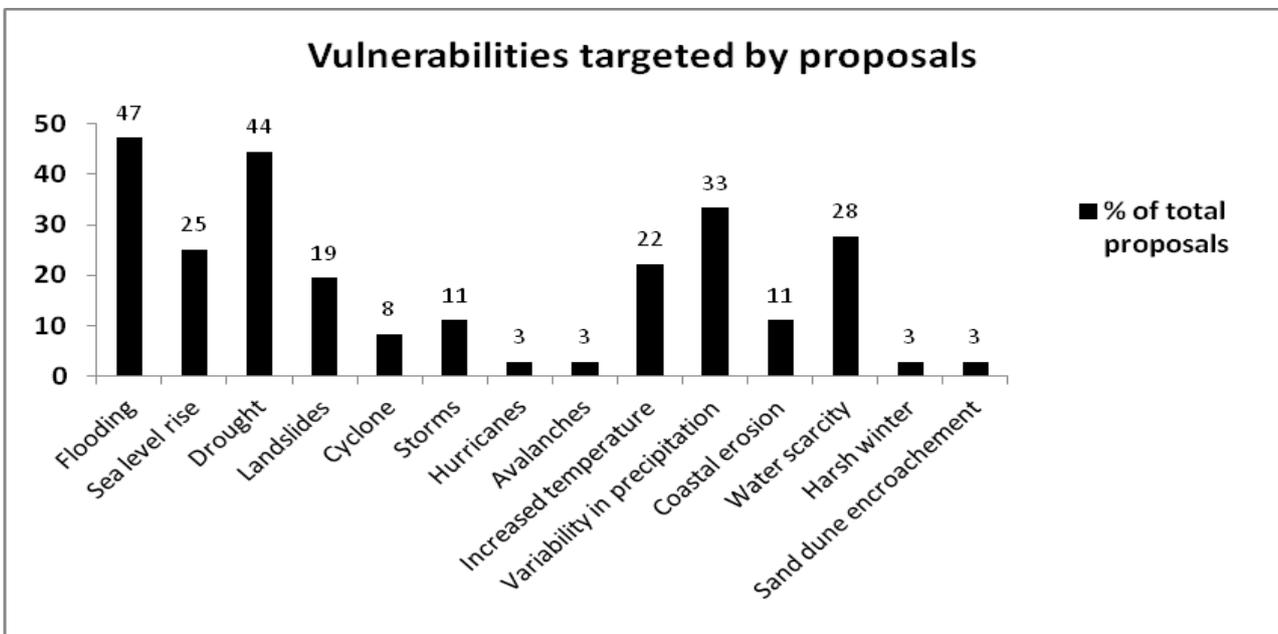
**Figure 2: Sectoral Distribution of AF Project Proposals**



Source: The AFB Secretariat, presentation made at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

- The top three vulnerabilities identified in project proposals are hydro-meteorological: flooding, drought, and variability in precipitation (Figure 3).

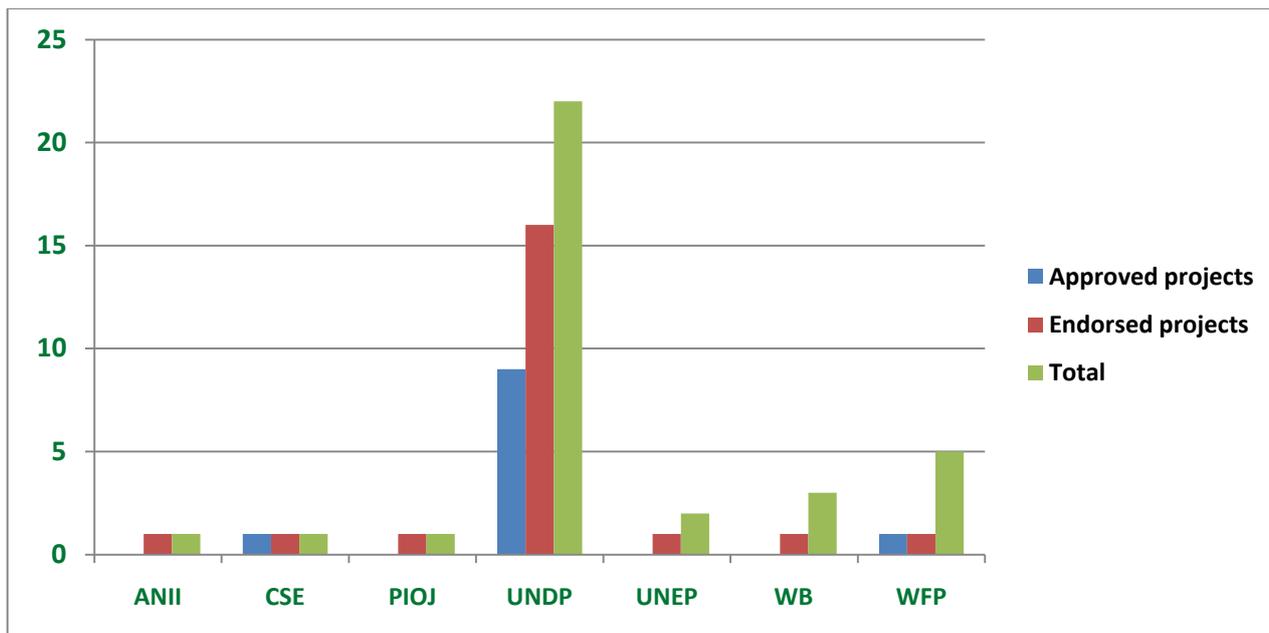
**Figure 3: Vulnerabilities Targeted by AF Project Proposals**



Source: The AFB Secretariat, presentation made at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

- NIEs have a very low share of the proposals submitted. Most proposals were submitted by MIEs; only four out of 10 MIEs (UNDP, UNEP, World Bank and WFP) have submitted proposals, with the UNDP accounting for 63% of all proposals submitted (Figure 4).

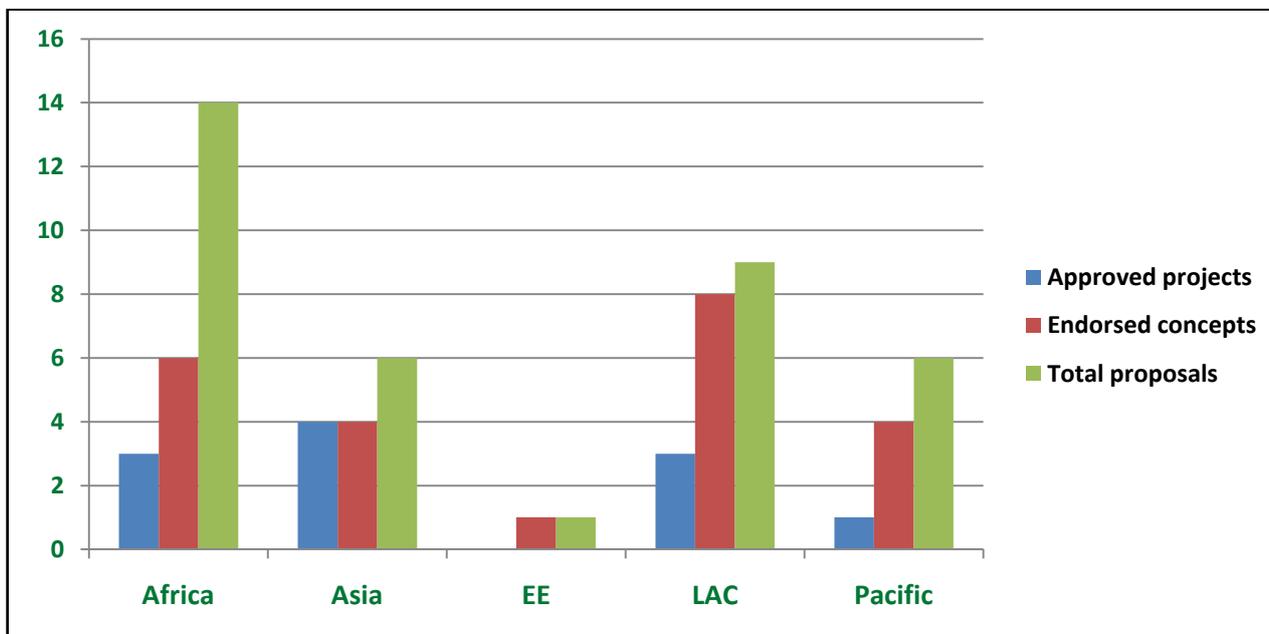
**Figure 4: AF Proposals by Implementing Entities**



Source: The AFB Secretariat, presentation made at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

5. Most project proposals come from Africa, but Asia has the highest number of approved projects followed by Africa, Latin America and Caribbean (LAC) and the Pacific. Eastern Europe (EE) has no approved projects to date (Figure 5).

**Figure 5: Regional Distribution of AF Project Proposals**



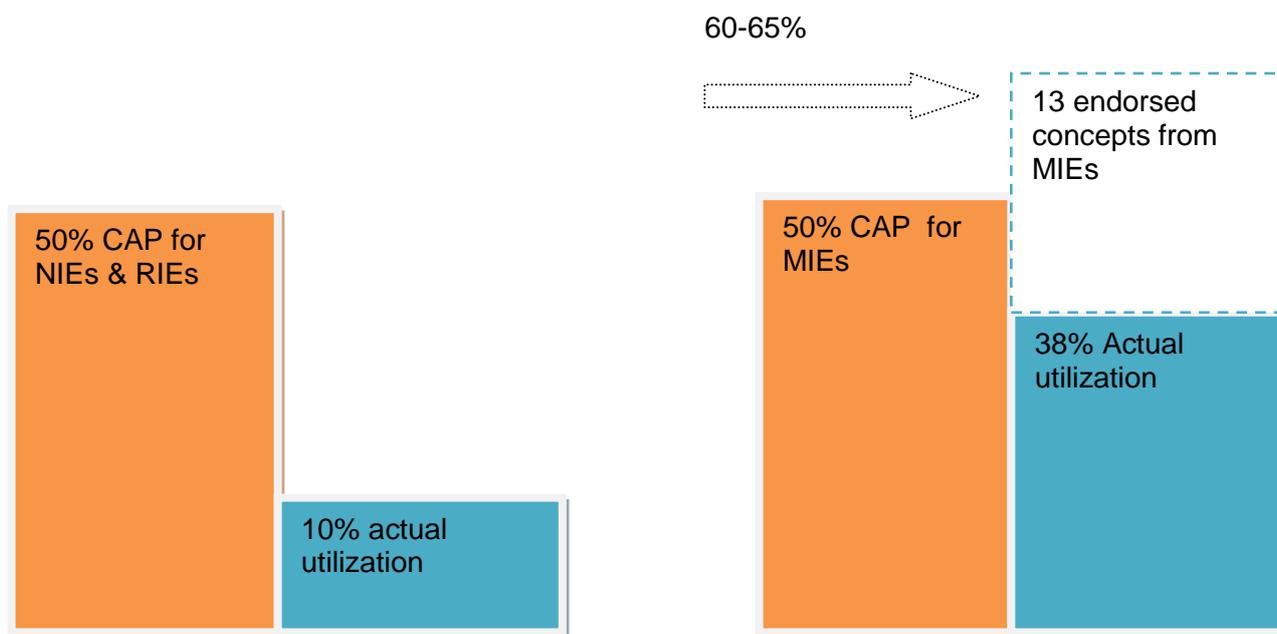
Source: The AFB Secretariat, presentation made at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

There are currently five ADAPT Asia-Pacific’s target countries which already have project proposals approved by the AFB: Maldives, Mongolia, Cook Islands, Samoa and Solomon Islands. All of the projects were submitted through the UNDP.

There are uncertainties about future resources of the AF due to the falling price of carbon credits which provide the principal source of AF funding. The AFB Secretariat estimated that there will be approximately USD 200 million available between now and the end of 2012, based on the currently uncommitted resources of USD 150 million and additional USD 50-60 million from certified emission reductions (CERs) to be monetized, assuming a medium price trajectory.<sup>29</sup> During the 17th Board meeting in Germany in March 2012, the AF Board set a fundraising target of USD 100 million by the end of 2013 to help contribute to the demand of over USD 300 million for adaptation projects<sup>30</sup>, and also issued a call for public inputs on options for a fundraising campaign and strategy<sup>31</sup>.

NIEs will play a more important role in accessing future resources of the AF as the 50% cap on MIEs is close to being reached. Currently, 38% of the 50% MIE cap has already been reached. On top of the 38% commitments, there are an additional 13 concepts submitted by MIEs which have already received endorsements from the AFB. Were all these 13 concepts to be funded, the accumulated resources accessed through MIEs would then surpass the cap to reach 60-65% of the total resources. Without a significant resource increase, the AF will not be able to fund all of these 13 endorsed concepts. As a result, approval of the full project proposals based on these concepts may be granted on a first-come, first-served basis until the 50% MIE cap is reached. On the other hand, NIEs have a very low share of the proposals submitted. Only 10% of the combined 50% cap for NIEs and RIEs has been reached, thus leaving a significant amount of resources to be accessed via the direct access mode (Figure 6).

**Figure 6: Comparison of AF Resource Utilization by NIEs, RIEs, and MIEs.**



Source: AFB Secretariat<sup>32</sup>

The above information carries significant implications for countries in deciding the appropriate mode to access the AF. If a country has not already commenced discussion with a MIE, it would seem too late to do so, in the absence of any major resource increase which could raise the MIE cap. On the other hand, the overall amount of remaining resources within the AF is not large (USD 200 million) compared to the number of accredited NIEs (12) and of the pending NIE candidates. Since it could take more than one year to get accredited, there is no guarantee that there would be adequate resources left for a country which has not started the NIE accreditation process by now.

<sup>29</sup> Author's conversation with staff of the AFB Secretariat.

<sup>30</sup> AFB Press Release March 2012 (<http://www.adaptation-fund.org/media/adaptation-fund-sets-100-million-fundraising-target-welcomes-new-board-chair>).

<sup>31</sup> <http://www.adaptation-fund.org/content/options-fundraising-campaign-and-strategy-0>

<sup>32</sup> Author's conversation with staff at the AFB Secretariat.

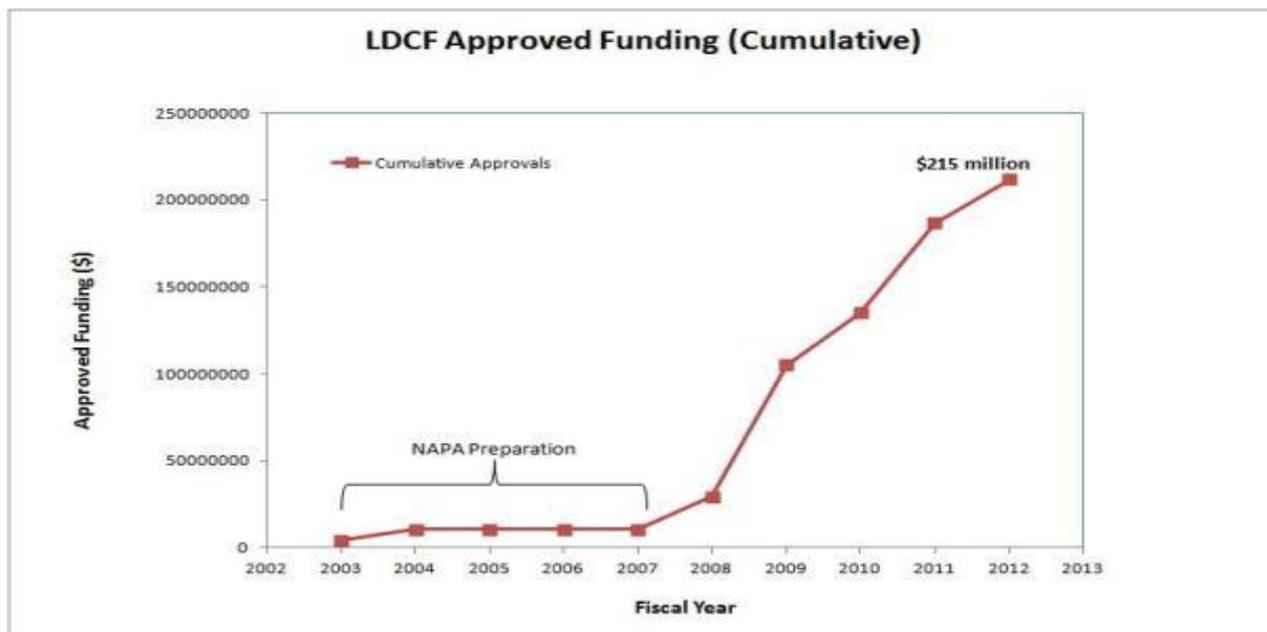
## 2.2. Least Developed Countries Fund (LDCF)

The LDCF is a multilateral fund under the UNFCCC and administered by the GEF. The LDCF was established in 2001 to address the special needs of the 49 LDCs which are especially vulnerable to the adverse impacts of climate change. The fund became operational in 2002. The fund assists LDCs to carry out the preparation and implementation of National Adaptation Programmes of Action (NAPAs). In the course of preparing NAPAs, the LDCs identify priority activities that respond to their urgent and immediate needs with regards to adaptation to climate change. The LDCF finances only the additional costs of the immediate adaptation needs over a development (“business-as-usual”) baseline, thus requiring other resources mainly those of the MDBs to co-finance the baseline investment.

To access LDCF resources, the proponent of the project develops a concept for a project and submits it to the GEF Secretariat through one of the ten implementing agencies of the GEF - UNDP, UNEP, the World Bank, AfDB, ADB, EBRD, IAD, IFAD, FAO, and UNIDO - with a letter of endorsement from the LDC’s government (sent by the appointed GEF Operational Focal Point in the country). For medium-sized projects (for the LDCF, these are projects smaller than or up to USD 2 million) there is no need to develop a CEO Endorsement request and approval can be done in one step. For a full-sized project, (for the LDCF, these are projects larger than USD 2 million) the agency must submit a CEO Endorsement request after the project has been approved by the GEF Council. Once the GEF CEO endorses the project, the funding is released to the implementing agency.

Figure 7 shows that LDCF funding for NAPA preparation activities concentrated between 2003 and 2007, after which funding for the implementation of NAPAs accelerated. The LDCF currently supports 52 projects and programs across 42 LDCs. According to the GEF’s website, the LDCF is the largest portfolio of adaptation projects of this kind. Support to projects and programs amounts to USD 217 million in LDCF grants, leveraging USD 919 million in co-financing. Of these, 33 projects are under implementation on the ground<sup>33</sup>.

**Figure 7: LDCF Approved Funding between 2003-2007**



Source: GEF <sup>34</sup>

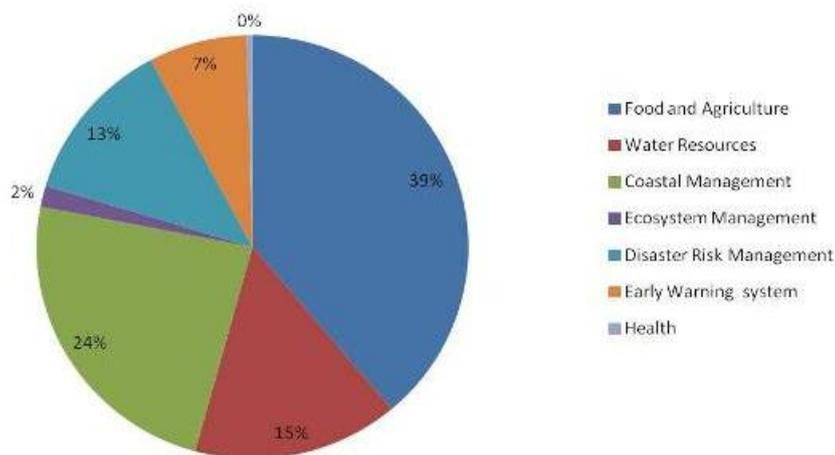
Development sectors prioritized in NAPAs are food security and agriculture (28%); water resources (14%); coastal management (15%); early warning and disaster risks (16%); capacity building (6%); energy (2%); health (4%); and ecosystems (15%). Figure 8 shows that the main sectors addressed through LDCF funding are food security and agriculture (39%), coastal

<sup>33</sup> GEF Press Release December 10, 2011 (<http://www.thegef.org/gef/node/5280>).

<sup>34</sup> <http://www.thegef.org/gef/LDCF>.

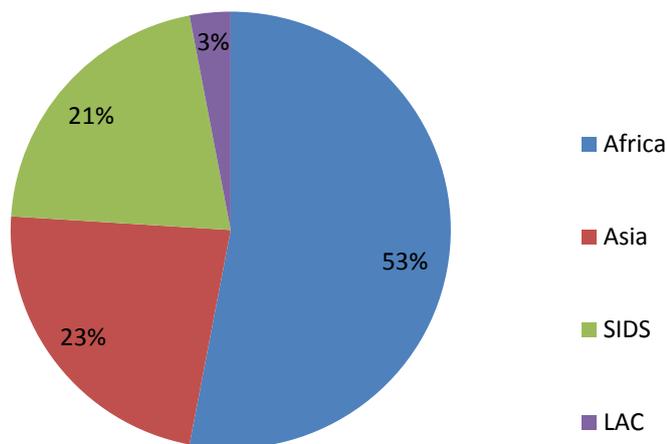
management (24%), and water resources (15%), ecosystem management (2%), disaster risk management (13%), early warning system (7%), and health (0%). These coincide with the top three NAPA priorities identified across LDCs.<sup>35</sup> Africa is the biggest recipient of the LDCF, with over half of the fund's resources allocated to the region (Figure 9). Indeed, the LDCF is the largest source of financing for adaptation in Africa<sup>36</sup>.

**Figure 8: Development Sectors Addressed through LDCF Funding**



Source: GEF<sup>37</sup>

**Figure 9: Regional Distribution of LDCF-funded Projects**



Source: GEF<sup>38</sup>

Based on the information from Table 3, the LDCF has approximately USD 170 million of currently available resources which have not been committed. In December 2011, the GEF reported that several donor countries pledged new support to the LDCF for climate change adaptation during the 17th session of the Conference of the Parties (COP 17) to the UNFCCC in Durban, South Africa. Among these contributors are United Kingdom, Sweden and a new donor country, Iceland<sup>39</sup>. However, the actual amount of funds that the GEF has received from these donors and the number of projects in the pipeline are unknown

<sup>35</sup> <http://www.thegef.org/gef/LDCF>.

<sup>36</sup> GEF Press Release December 10, 2011 (<http://www.thegef.org/gef/node/5280>).

<sup>37</sup> <http://www.thegef.org/gef/LDCF>

<sup>38</sup> <http://www.thegef.org/gef/LDCF>

<sup>39</sup> GEF Press Release December 10, 2011 (<http://www.thegef.org/gef/node/5280>).

### 2.3. Special Climate Change Fund (SCCF)

The SCCF is also a multilateral fund under the UNFCCC administered by the GEF. The fund was established with four financing windows, two of which are active: adaptation and technology transfer. Adaptation is the SCCF's top priority. The SCCF supports activities which are country-driven, cost-effective, and integrated into national sustainable development and poverty reduction strategies; and which take into account national communications or NAPAs and other relevant studies and information. The fund was established in 2001 and became operational in 2002.

Countries can access SCCF resources through the ten implementing agencies of the GEF in a similar manner to that of the LDCF. For the adaptation window, the SCCF aims to finance the full cost of the adaptation component which is defined as concrete adaptation actions that reduce vulnerability and increase adaptive capacity. The cost of business-as-usual (BAU) development is covered through "co-financing"; beyond that the full cost of adaptation, so called "additional cost", is paid out of the SCCF. In some cases, the SCCF can also fund stand-alone adaptation projects similar to those supported by the AF, provided that what is being financed is shown to be exclusively adaptation interventions which are not linked to BAU development.

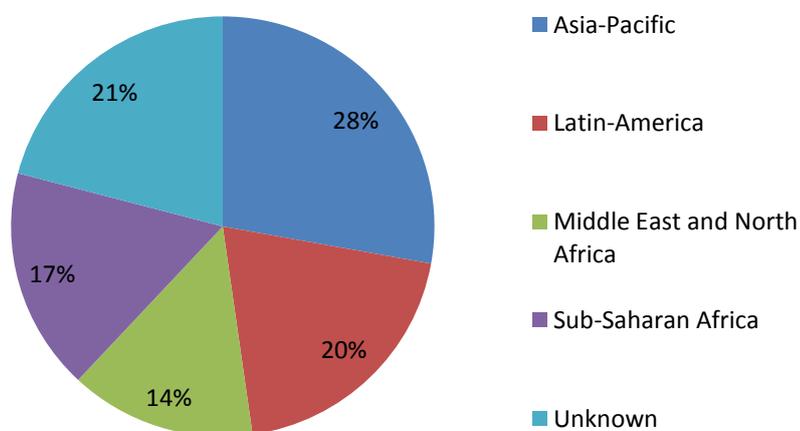
To date, the SCCF has supported long-term and short-term adaptation activities in water resources management; land management; agriculture; health; infrastructure development; fragile ecosystems, including mountainous ecosystems and integrated coastal zone management. Table 8 summarizes the SCCF portfolio as of 30 June, 2011. The World Bank is the biggest implementing agency of the SCCF in terms of funding received, followed by the UNDP but the number of SCCF projects implemented by the UNDP is the highest. In terms of regional distribution, Figure 10 shows that Asia-Pacific has been the biggest recipient of SCCF resources.

**Table 8: SCCF Portfolio as of 30 June 2011**

Agencies	Projects	Status	Funding	Windows
UNDP: 16 projects, 38% of funding; WB: 9 projects, 37% of funding; Others: IFAD, UNEP, ADB, EBRD	27 country level, 3 global, 3 regional, 2 multi-trust fund initiatives	2 completed, 15 implementation started, 18 implementation not started	USD 180m pledged, USD 142.6m approved, USD 843.5m co-financing	Adaptation: 31 projects, Tech. Transfer: 4 projects, Sectors: no projects, Diversification: no projects

Source: GEFEO 2012

**Figure 10: Regional Distribution of SCCF-funded Projects**



Source: Climate Funds Update website<sup>40</sup>

<sup>40</sup> <http://www.climatefundsupdate.org/listing/special-climate-change-fund>.

Based on the information in Table 3, the SCCF has approximately USD 50 million of currently available resources which are uncommitted. The pipeline of projects is unknown.

#### 2.4. Pilot Program for Climate Resilience (PPCR)

The PPCR is a strategic sub-program under the Strategic Climate Fund (SCF), which is one of two trust funds that comprise the Climate Investment Funds (CIF). The CIF is a joint undertaking of the MDBs, with an administrative unit housed at the World Bank and stakeholders including recipient and contributing countries, the UNFCCC, the Adaptation Fund, bilateral development agencies, non-governmental organizations, indigenous peoples, private sector entities, scientific and technical experts, UN agencies and the GEF. Approved in November 2008, the PPCR is providing incentives for scaled-up action and transformational change in integrating consideration of climate resilience in national development planning consistent with poverty reduction and sustainable development goals. Sectors supported include water resources, food security, disaster risk reduction, coastal management, community development, ecosystem, urban development, infrastructure, transport, health, tourism industry, and private sector.

PPCR-eligible countries are those which are (a) eligible for ODA and (b) have an active country program with one of the multilateral development institutions. In practice, there has been a *a priori* selection of nine PPCR initial pilot countries and two regional programs (Table 9) to receive support based on the results of analysis conducted by an expert group of different vulnerability criteria. Decisions over budgets for both Phase I (Strategic Programs for Climate Resilience - SPCR) and Phase II activities (implementation of the SPCR) for the selected country or region requires approval from the PPCR Sub-Committee. ADAPT Asia-Pacific's target countries which have been selected as PPCR pilot countries are Bangladesh, Cambodia, Nepal, Papua New Guinea, Samoa and Tonga.

**Table 9: PPCR Pilot Countries and Regional Programs**

Pilot countries	Pilot regions <sup>41</sup>
Bangladesh Bolivia Cambodia Mozambique Nepal Niger Tajikistan Yemen Zambia	Caribbean Pacific

Source: PPCR website: [www.climateinvestmentfunds.org/cif/ppcr](http://www.climateinvestmentfunds.org/cif/ppcr).

The PPCR promotes a programmatic approach rather than project-based interventions. As a result, PPCR allocation per country is relatively large, ranging from USD 30-60 million per country program but this country budget is further augmented with MDB loans and co-financing. Currently, the nine countries and two regional pilot programs are in the process of developing individual projects for PPCR financing.

With the additional resources (GBP 200 million) added to the PPCR by the British government in November 2011, it is possible that more countries from the current wait-list would be added to the PPCR pipeline<sup>42</sup>.

<sup>41</sup> While there will be different levels of activities in different countries in the selected pilot region, all countries in the region will benefit in some form from PPCR funding, for example, through capacity building activities.

<sup>42</sup> Author's conversation staff of the Climate Investment Funds (CIF) at the World Bank, Washington DC, November 2011.

## 2.5. Global Climate Change Alliance (GCCA)

Launched in 2007, the GCCA is an initiative of the European Union (EU), coordinated by the European Commission (EC), to strengthen dialogue and cooperation on climate change with developing countries most vulnerable to climate change. It focuses on the least developed countries (LDCs) and the small island developing states (SIDS). The two pillars of the GCCA are enhanced dialogue and enhanced technical and financial support for targeted developing countries. The GCCA focuses the technical support along five priority areas:

- Mainstreaming climate change into poverty reduction development strategies;
- Adaptation, building on the National Adaptation Programmes of Action (NAPAs) and other national plans;
- Reducing Emissions from Deforestation and Forest Degradation (REDD);
- Enhancing participation in the Clean Development Mechanism (CDM);
- Disaster risk reduction (DRR).

The first priority in mainstreaming climate change into policy is often combined with the second priority on adaptation (European Union 2011).

The GCCA functions as a programming fund for the EC. The criteria to select countries that will benefit from the GCCA builds on the 2007 Bali Action Plan which stresses the need for action on adaptation, particularly with LDCs, SIDS and African countries affected by drought, desertification and flooding. The three main criteria that the EC uses to establish priorities among the target beneficiaries of the GCCA are poverty level, climate vulnerability, and the policy stance in relation to climate change, for example, an active role in UNFCCC negotiations. Funds are then allocated to countries, based on availability of resources and population figures (European Union 2011). A unique feature of the GCCA program lies in piloting the use of budget support, when applicable, as a delivery mechanism to enhance aid effectiveness and direct access of developing countries to climate finance. Grants are also used as a GCCA financing instrument.

To date, the GCCA has supported activities in the following sectors: overall development and poverty reduction (15 interventions), agriculture and land management (11 interventions), coastal zone management (6 interventions), energy (8 interventions), forestry and natural resources (3 interventions), and water and sanitation (5 interventions). ADAPT Asia-Pacific's target countries which have benefited from GCCA support include Bangladesh, Cambodia, Lao PDR, Maldives, Nepal, Samoa, Solomon Islands, and Vanuatu (European Union 2011). The GCCA has allocated most of its resources for the time being but additional resources may be available in the future.

## 2.6. Nordic Development Fund (NDF)

The NDF is the joint development finance institution of the Nordic countries—Denmark, Finland, Iceland, Norway and Sweden. From 1989 to 2005, the NDF provided soft loans for social and economic development. In 2009, the NDF owners decided that the Fund should provide grant financing for climate change investments in low income countries. The NDF is funded by Nordic countries' development assistance budgets, with currently subscribed fund capital equivalent to EUR 1 billion.

The NDF's climate change mandate encompasses the following objectives (NDF 2011):

- To facilitate greater investments in developing countries to address the causes and consequences of climate change;
- To support development and climate change strategies in developing countries;
- To maximize additionality and complementarity in relation to other available financing;
- To mirror the Nordic countries' priorities in the area of climate change and development.

The NDF provides funds by co-financing with multilateral and bilateral partners including the World Bank, Asian Development Bank, Inter-American Development Bank, African Development Bank, Nordic bilateral aid authorities and Nordic finance institutions. The NDF has developed its own climate change screening criteria: For mitigation projects, the value of the emission reductions should be at least 10% of project investment costs; for adaptation projects, 50% of the project costs should be subject to the actual or expected impacts of climate change. The value of NDF grant funding per project varies from EUR 2-5 million. There are 27 eligible countries for the NDF,

among which eight are ADAPT Asia-Pacific's target countries: Bangladesh, Cambodia, Lao PDR, Maldives, Mongolia, Nepal, Sri Lanka and Vietnam.

Three focus areas are relevant for NDF grants: infrastructure and energy, natural resources, and climate change related capacity building. So far, the NDF has approved 39 projects, totaling EUR 106.6 million, under the climate mandate<sup>43</sup>. Africa is still the leading beneficiary of NDF financing, with 42% going to the region, while 30% and 28% is going to Latin America and Asia, respectively (NDF 2012).

## 2.7. Nordic Climate Facility (NCF)

The NCF is one of the climate change financing facilities of the NDF. While the NDF provides large grants to co-finance projects with MDBs, the NCF provides smaller grants to fund innovative climate change projects in developing countries. The NCF also promotes cooperation between Nordic entities and their partners in developing countries to facilitate the exchange of technology, know-how and innovative ideas. Financed by the NDF and jointly implemented with the Nordic Environment Finance Corporation (NEFCO), the NCF is capitalized with EUR 6 million per year and finances projects with grant size between EUR 250,000-500,000 (NDF & NEFCO 2011). The grant can fund up to 80% of proposed project costs.

The NCF is based on annual thematic calls for proposals. Themes for three calls so far were: Energy efficiency and water resources (2009/10); renewable energy and urban adaptation (2010/11); and low-cost climate solutions with a focus on local business development (2011/12). The themes allow proposals to be linked to either adaptation or mitigation of climate change. Financing is granted to Nordic institutions, organizations, companies, and authorities which have established cooperation with partner(s) in eligible low income countries. In the long run, the NCF-funded project is expected to be financially viable for the local partner.

Launched in October 2009, the first call for proposals received a total of 138 proposals, of which 14 proposals from African and Latin America were selected for implementation. The second call for proposals, launched in October 2010, received a total of 176 proposals, of which 12 were selected for contract negotiations<sup>44</sup>. Ultimately, 10 projects were financed from the second call proposals, including a rural livelihoods project in Nepal and a coastal climate resilience project in Sri Lanka<sup>45</sup>. The third call for proposals was launched in October 2011; 128 proposals have been received and 30 applicants shortlisted for full project proposal submission<sup>46</sup>. More information about the projects selected for financing in the third call will be available in the autumn of 2012<sup>47</sup>.

## 2.8. International Climate Initiative (ICI)

Since 2008, the International Climate Initiative (ICI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of Germany (BMU) has been financing climate and biodiversity projects in developing and newly industrializing countries, as well as in countries in transition. Based on a decision taken by the German parliament (Bundestag), a sum of EUR 120 million is available for use by the initiative annually. The ICI is a key element of Germany's fast start financing. The Energy and Climate Fund launched by the German Government in 2011 is a further source of finance for international climate projects, and for activities to conserve biological diversity. Part of that funding is deployed through the ICI. The Energy and Climate Fund is replenished from the auctioning of emission allowances. The German International Cooperation (GIZ) is one of the implementing partners of the ICI.

The ICI is active in four areas: Promoting climate-friendly economies, fostering measures to adapt to the effects of climate change, ensuring the conservation and sustainable use of natural carbon reservoirs, and conservation of biodiversity. ICI-financed projects aim to demonstrate solutions for mitigation and adaptation and provide input for climate negotiations.

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<sup>43</sup> This amount includes disbursements under the Nordic Climate Facility (NCF), which is one of the financing instruments of the NDF.

<sup>44</sup> <http://www.norden.org/en/news-and-events/news/nordic-climate-facility-announces-third-call-for-proposals>

<sup>45</sup> <http://www.ndf.fi/index.php?id=81>

<sup>46</sup> [http://www.ndf.fi/index.php?id=32&tx\\_ttnews%5Btt\\_news%5D=131&cHash=6df9897aca9d1c29c2c0893350280957](http://www.ndf.fi/index.php?id=32&tx_ttnews%5Btt_news%5D=131&cHash=6df9897aca9d1c29c2c0893350280957)

<sup>47</sup> <http://www.ndf.fi/index.php?id=22>

The ICI is based on annual calls for proposals. The funding decision is taken by BMU. Between 2008 until February 2012, the ICI has funded 277 projects in over 80 partner countries with the total amount of EUR 634 million (USD 833 million) and leveraged additional financing of EUR 1.6 billion from implementing agencies and other public and private sector sources. The regional distribution of ICI project funds as of February 2012 is as follows: 25% in Asia, 22% in global projects, 19% in Central and South America, 18% in Central and Eastern Europe, Central Asia, and Turkey, 11% in Africa, and 5% in Middle East and North Africa (BMU 2012).

Within the ICI, Asia is the region with the biggest project volume. The ICI currently funds 78 projects in Asia with a total volume of EUR 157 million. Out of the EUR157 million-portfolio, 16 projects with a total volume of EUR 28.5 million are dedicated to adaptation to climate change and comprise three major activities: adaptation strategies (62%), ecosystem-based land use systems (25%), and insurance solutions (13%). Some ADAPT Asia-Pacific's target countries which are currently benefiting from ICI's support to adaptation are Marshall Islands, Micronesia and Palau (jointly from a coastal adaptation program implemented by Micronesia Conservation Trust), and Cambodia, Laos, Thailand, and Vietnam (jointly from a flood management project in the Lower Mekong Basin implemented by GIZ) (BMU 2012).

## **2.9. Japan's Fast Start Finance (Japan's FSF)**

In December 2009, Japan announced the assistance of approximately USD 15 billion, including public and private financing, of which public finance comprises approximately USD 11 billion, as the assistance to developing countries up to 2012 to address climate change (announced as the "Hatoyama Initiative" but later referred to as Japan's Fast-Start Finance). Japan's Fast-Start Finance aims to assist developing countries, especially those making efforts to reduce greenhouse gas emissions, as well as those which are vulnerable to the negative impacts of climate change, taking into account the developments in the international negotiations and the status of Japan's reconstruction.

Through the Japanese Embassies and local offices of the Japan International Cooperation Agency (JICA), the Japanese Government develops projects in close consultation with the governments of developing countries and international organizations in response to the needs of recipient countries. Country involvement is via bilateral channels, typically involving the recipient country's Ministry of Finance. The assistance from Japan is composed of two main types of assistance. One is ODA which is defined to include grant aid, technical assistance, concessional loans and contribution to multilateral funds. The ODA component is implemented by relevant ministries and agencies, JICA and other institutions. The other type of assistance is Other Official Flow (OOF), such as co-financing of the Japan Bank of International Cooperation (JBIC), and private financing catalyzed on the basis of public financing. Activities supported by Japan's FSF are mitigation, adaptation and REDD. Solomon Islands, Lao PDR, Indonesia, and Vietnam are ADAPT Asia-Pacific's target countries which have benefited from Japan's support for climate change adaptation (JICA 2010).

It should be noted that a distinctive feature of Japan's climate change assistance is the use of private sector financing. Compared to other donor-supported initiatives, Japan is the only donor that leverages a significant amount of climate financing (USD 4 billion out of the USD 15 billion commitment) from the private sector. Whitley (2012) analyzes Japan's private climate finance support (PCFS) and highlights its important trends and implications for international climate finance. Some key findings are:

- Around 9% of Japan's identified PCFS comes from the private sector, while most recipients of PCFS are private entities.
- Japan provides PCFS only to recipients that are either co-financed by Japanese financial institutions or that deploy Japanese technologies and/or expertise and appear to be seeking competitive advantage through its PCFS activities.
- 63% of Japan's PCFS is directed toward lower middle income countries, with 12% spent on activities in low income countries.
- All of Japan's PCFS is targeted toward mitigation programs and projects, with no PCFS directed specifically to adaptation activities.

## 2.10. International Climate Fund (ICF)

The UK Government has set up the ICF to help developing countries tackle climate change and reduce poverty. The ICF is a cross-departmental fund established by the UK 2010 Comprehensive Spending Review to provide GBP 2.9 billion of climate change related aid over the period 2011-12 to 2014-15. Of the GBP 2.9 billion approved budget, GBP 1.5 billion meets the UK's fast start finance commitments by 2012, with the rest contributing to the mobilization of up to USD 100 billion of climate finance per year by 2020 from private and public sources. The initiative is implemented by three agencies: Department of Energy and Climate Change (DECC), Department for International Development (DFID), and Department for Environment, Food and Rural Affairs (DEFRA).

The initiative works in partnership with developing countries to take action to reduce carbon emissions and to help people adapt to the effects of climate change. Proposals for ICF expenditure are prepared for Ministers by an ICF Board composed of Directors General from DECC, DFID, Foreign and Commonwealth Office (FCO), DEFRA, Her Majesty's Treasury (HMT), and chaired by DFID. The ICF focuses on three priorities: adaptation (50%), low carbon development (30%) and forestry (20%). The ICF funds projects through bilateral programming as well as by contributing capital to multilateral funds. The ICF contributed GBP 225 million to the PPCR, of which GBP 202 million is fast start-funded (DECC & DFID n.d.).

For climate change adaptation, the ICF focuses its support on the following sectors (DECC, DFID, DEFRA n.d.):

- Agriculture (food and farming systems)
- Better preparation for disasters
- Water resources management
- Infrastructure and urban development
- Coastal areas
- Ecosystems
- Social protection (helping people manage risks, such as unemployment, sickness, disability and old age)
- Health.

Between 2010-2011, three ADAPT Asia-Pacific's target countries, namely Indonesia, Nepal, and Vietnam<sup>48</sup> have benefited from the support of ICF.

## 2.11. International Climate Change Adaptation Initiative (ICCAI)

The ICCAI is Australia's dedicated instrument to support climate change adaptation activities in developing countries. It commits AUD 328.2 million (USD 328 million) over 5 years (2008-09 to 2012-13) to assist vulnerable countries, particularly SIDS and LDCs, to adapt to the unavoidable impacts of climate change. Initially, AUD 150 million was allocated over three years to Phase 1 of the ICCAI. In 2010, Australia announced a two-year AUD 178.2 million increase for the ICCAI's Phase 2, thus bringing the total value of the initiative to AUD 328.2 million. The geographical allocation of ICCAI's funds during Phase 2 is as follows: AUD 80 million to Pacific island nations, AUD 44 million to Southeast Asia, AUD 25 million to Africa, AUD 20 million to South Asia, AUD 8 million to the Caribbean, and AUD 1 million to other activities (Batten n.d.).

The ICCAI is jointly managed by the Australian Agency for International Development (AusAID) and Department of Climate Change and Energy Efficiency. It has four principal components (Batten n.d.):

- **Science** - establish a sound policy, scientific and analytical basis for long-term Australian action to help developing partner countries adapt to the impacts of climate change.
- **Strategic planning and vulnerability and adaptation assessment** - enhance partner country capacity to assess key climate vulnerabilities and risks, formulate appropriate adaptation strategies and plans, and mainstream adaptation into decision making.
- **Priority action** - identify and help finance priority adaptation measures to increase the resilience of partner countries to the impacts of climate change.

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<sup>48</sup>UK Fast Start Project List 2010-2011 available at <http://www.faststartfinance.org/sites/default/files/documents/UK%20FAST%20START%20PROJECT%20LIST%202010-11.pdf>.

- **Multilateral support** - engage in multilateral adaptation funds, particularly the PPCR and the LDCF.

Compared to other specialized international funds, the ICCAI has placed a very strong emphasis on Pacific SIDS. Under the science and adaptation planning components, the ICCAI funds the Pacific Climate Change Science Program (AUD 20 million) and the Pacific Adaptation Strategy Assistance Program (AUD 12 million), respectively. The ICCAI also provides bilateral support to adaptation projects in individual Pacific Island countries. Examples include funding the upgrade of transport infrastructure in Solomon Islands and Vanuatu to reduce the impacts of extreme weather events and coastal erosion (AUD 7 million) and funding the construction and installation of water tanks in Nauru and Tuvalu to provide a buffer against changing rates of rainfall and reduce reliance on diesel-powered desalination plants (AUD 1.1 million). In Kiribati, the ICCAI supports improved water security, increased coastal resilience and the strengthening of government capacity to plan for and adapt to the impacts of climate change (AUD 5.1 million) (Batten n.d.).

## 2.12. Climate Finance Tracking Tools

This assessment has been able to gather information on the 11 specialized international climate funds from a combination of fund websites, climate finance tracking websites, research papers and email and face-to-face communications between the author and the funds' staff. However, continuously tracking resources of the funds remains a major challenge, because the available public information is largely inconsistent, incomplete and not always updated. In looking at the different donors' climate financing initiatives, it is clear that there is not a common understanding of what has constituted fast start finance among donors. It can also be difficult to understand the basis on which each donor claims climate finance credit for particular contributions<sup>49</sup>. In addition, different parties have yet to adopt a common reporting format, resulting in limited completeness, comparability, and transparency in climate finance information (Morgan and Cameron 2011). Reflecting the need for a common methodology in climate finance reporting, representatives of MDBs met in May 2012 on the margins of the UN Climate Change meeting in Bonn, Germany, to discuss a joint methodology for climate adaptation financing tracking, including the concept of adaptation to be adopted, a set of high level principles and a roadmap to finalize the methodology by the 2012 UN Climate Change Conference (COP18) in late November 2012<sup>50</sup>.

While getting a complete picture of the climate finance landscape is currently difficult, several online tools exist to help practitioners and researchers track international climate finance developments. As the first source of information, each climate fund has its own website which generally provides information about the fund's resources, objectives, geographical coverage, and thematic areas of support. The World Bank and the GEF also maintain websites about the funds under their management i.e. the PPCR, LDCF and SCCF. However, these funds' websites tend to be updated only occasionally and therefore are not always providing the most up-to-date information on how the funds' resources have been allocated and disbursed during a given year. The AF has a very comprehensive website. Among all the funds, the AF's website provides the most up-to-date information about the Fund's key decisions concerning NIE accreditation, project reviews and approvals and project disbursements.

Several organizations also developed climate finance tracking websites which facilitate users to track and compare resources across the funds. The UNFCCC's Finance Portal is one of the most comprehensive sources of information on climate finance, providing users with a very useful function to search fast start financing by donors, recipient countries, types of institution, types of activities supported, etc. Other active players with useful tracking sites include the Heinrich Böll Foundation, Overseas Development Institute (ODI), Stockholm Environment Institute (SEI), the World Resources Institute (WRI), AidData, Project Catalyst (an initiative of the ClimateWorks Foundation), the Climate Group (TCG), Ecosystem Marketplace, and CDC Climate, etc. (Buchner et al. 2011). A list of fund websites and major climate finance tracking sites are provided in the Annex.

<sup>49</sup> <http://insights.wri.org/open-climate-network/2012/05/shedding-light-fast-start-finance>.

<sup>50</sup> <http://www.afdb.org/en/news-and-events/article/afdb-and-other-development-banks-work-on-common-reporting-method-for-adaptation-finance-9382/>

There are different objectives driving the design and analytics behind each of the above climate finance tracking sites. Buchner et al. 2011 identify these various objectives for tracking climate finance including: creating transparency in the overall system; tracking public finance commitments as well as disbursements to enable accountability; assessing the collective progress towards a low carbon, climate resilient future; assessing the effectiveness of specific climate finance mechanisms/instruments/projects; assessing the effectiveness of spending to direct them more efficiently; and facilitating learning by providing needed information in a timely manner and identifying where progress could be made. Since each tracker has been developed with different objectives, it is important for users to compare information across the sites to get a more complete picture.

### 3. Review of Technical Reasons for Approvals and Rejections of Adaptation Project Proposals

Developing countries need to prepare adaptation projects which meet the individual funds' technical requirements in order to access the international resources. Designing sound adaptation projects is a major challenge when countries lack the expertise and human resources to prepare the sophisticated technical proposals the funds require. This section aims to shed light on key technical issues in project design and preparation which form barriers for countries to access climate finance.

In conducting the analysis of technical gaps in project design, difficulties arise due to the limited information available on rejected project proposals. Most funds only share publically a list of approved projects without the full documents (such as the GCCA, Japan's FSF), or they may only release project documents from the approved projects (the LDCF, SCCF). Of all the 11 funds reviewed in this assessment, only the AF provides detailed information about the reasons for non-endorsement and/or non-approval of individual proposals – which are contained in the minutes from each AF Board (AFB) meeting. Therefore, this section draws principally from the experience of the AF

#### 3.1. The Adaptation Fund's Project and Program Review Criteria

There are no differences in the AF's review criteria for projects and programs. All areas of requirements are applied to both the concept and fully-developed project proposal stages; the only difference is that more information is required for full project proposals. Box 1 summarizes the AF's project and program review criteria. Figure 11 shows the AF's project review and implementation cycle.

#### Box 1: The AF's Project and Program Review Criteria.

##### Project Concept Required Content

##### 1. Project Justification

- **Government endorsement** - The project is endorsed by the government through its Designated Authority (DA)
- **Concrete actions** - The project/program supports concrete adaptation actions to assist the country in addressing the adverse effects of climate change and builds in climate change resilience
- **Benefits for the vulnerable** - The project/program provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, including gender considerations
- **Cost effectiveness** - The project/program must be cost-effective compared to other possible interventions
- **Integration with national policy** - The project/program is consistent with national sustainable development strategies, national development plans, poverty reduction strategies, national communications or adaptation programs of actions, and other relevant instruments
- **Technical standards** - The project/program meets the relevant national technical standards such as environmental impact assessments (EIA), building codes, etc.
- **No duplication of efforts** - The project does not duplicate or overlap with activities funded through other funding sources
- **Knowledge component** - The project/program has a learning and knowledge management component to capture and feedback lessons

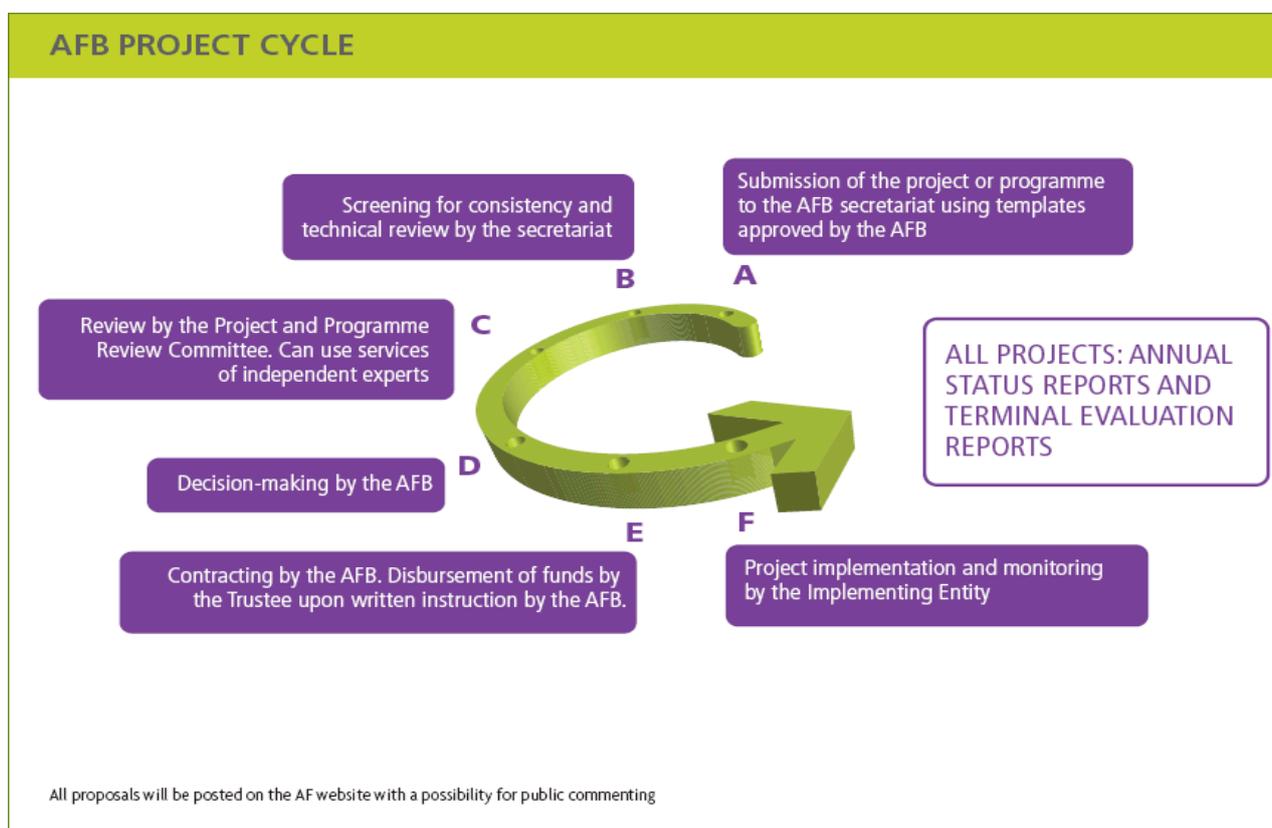
- **Consultation** - The project/program has been developed through a consultative process involving all stakeholders, including vulnerable communities and women
- **Full cost of adaptation** - The project/program provides justification for the funding requested on the basis of the full cost of adaptation
- **Result monitoring** - The project/program is aligned with the AF results framework
- **Sustainability** - The sustainability of the project/program outcomes is taken into account when designing the project

## 2. Full Proposal Additional Content

- **Implementation arrangements**
  - Adequate arrangements for project management
  - Measures for financial and project risk management
  - Arrangements for monitoring and evaluation clearly defined, including a budgeted monitoring and evaluation (M&E) plan
  - A project results framework included. Relevant targets and indicators disaggregated by gender
- **Information accrued during project development**
  - Results of consultative process with stakeholders
  - Results of preparatory assessments, if any
  - More detailed information on all technical and operational aspects of the project
- **Disbursement schedule**
- **Relevant additional documents as annexes**

Source: AFB Secretariat

Figure 11: AF Project Approval and Implementation Cycle



Source: AFB Secretariat

### 3.2. Review of Sample Unsuccessful Project Concepts and Proposals

During the thirteenth, fourteenth, and fifteenth meetings of the AFB, five project concepts were not endorsed and seven full project proposals not approved. All were concept and project proposals submitted by MIEs. Based on a review of the AFB's opinion documented in the meeting minutes<sup>51</sup>, the common technical gaps are shown in Table 10. The AFB's detailed analysis of each of these projects is included in the annex.

In summary, the major technical reasons for non-endorsements and non-approvals are:

- The concepts or proposals did not convincingly identify and quantify **adaptation benefits** from the proposed activities on the targeted beneficiaries. In some cases, the anticipated benefits cannot be distinguished from those of normal development projects;
- The proposed interventions are not **concrete or sound adaptation actions**;
- The **cost-effectiveness** of the proposed interventions are not demonstrated in comparison to other alternatives;
- The proposed **implementation arrangements** are not appropriate or adequate to ensure the effective implementation of activities;
- Inadequate explanation is provided on how long-term **sustainability** of project outcomes will be ensured;
- The proposed interventions are **duplication of efforts** in relation to other on-going activities and the ways to ensure synergies are not adequately explored.

The AF's experience seems to be consistent with the project review experience of some other funds. For example, the Nordic Climate Facility (NDF) conducted a review of lessons learned from its first two calls for proposals in 2009 and 2010 and found that evaluating the climate change impacts of the proposed adaptation projects is a major challenge. In addition, while several innovative projects were proposed, many "business-as-usual" proposals were simply relabeled as climate change projects for submission (NDF & NEFCO 2011).

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<sup>51</sup> [http://www.adaptation-fund.org/meeting\\_reports](http://www.adaptation-fund.org/meeting_reports).

**Table 10: Review of Reasons for Non-endorsed Concepts and Unapproved Project/Program Proposals at the Adaptation Fund**

Project Country	Proposed by	Status	Government endorsement	Concrete actions	Benefits for the vulnerable	Cost effectiveness	Integration with national policy	Technical standards	No duplication of efforts	Knowledge component	Consultation	Full cost of adaptation	Result monitoring	Sustainability	Implementation Arrangements	Information accrued during project development	Budget/ Disbursement schedule	Additional documents
Belize	World Bank	Concept not endorsed		X		X							X					
Cook Islands	UNDP	Project/ Program not approved			X			X						X	X			
Egypt	WFP	Concept not endorsed			X	X					X			X				
Georgia	UNDP	Project/ Program not approved		X	X				X		X			X	X			
Madagascar	UNEP	Project concept & project/ Program not approved		X		X					X			X	X		X	
Mali	UNDP	Concept not endorsed		X					X						X			
Mauritania	WFP	Concept not endorsed				X			X					X				
Papua New Guinea	UNDP	Project/ Program not approved		X	X								X	X	X			
Samoa	UNDP	Project/ Program not approved			X								X					
Guatemala	UNDP	Project document not approved			X				X						X		X	
Sri Lanka	WFP	Concept not endorsed		X	X	X				X					X			
Tanzania	UNEP	Fully developed project document not approved			X	X			X		X							

### 3.3. The Adaptation Fund's Accreditation Process: Country Experience and Lessons Learned

Direct access by accredited national implementing entities (NIEs) is one of the unique features of the AF. The AF is currently the only multilateral climate change fund which has fully operationalized direct access. Another fund which has recently begun to test accreditation of national institutions and direct access is the GEF, but this process is still in its initial pilot stage.<sup>52</sup> The future Green Climate Fund (GCF) will also include a direct access feature.<sup>53</sup>

The concept of direct access has evolved from an international discourse on climate finance, considering how internationally-raised finance can be accessed by developing countries in ways that are country-driven, equitable and sustainable (UNDP 2011). According to the UNDP (2011), "direct access is widely understood as a short-hand term for developing countries directly accessing international public financing in order to implement national and local actions to address climate change. Direct access implies that the facilitation and project management function played by multilateral, international, and bilateral entities is not used to access international public finance, and instead this function is taken on by a national entity".

The AF began the work to accredit NIEs in January 2010. To assist countries, Decision 5/CMP.6 mandated the UNFCCC Secretariat to organize three regional or sub-regional workshops to familiarize countries with the AF accreditation process.<sup>54</sup> To date, four workshops have been organized in Dakar, Senegal (September 2011) for African countries, in Panama City, Panama (November 2011) for LAC countries, in Manila, the Philippines (March 2012) for Asian and Eastern European countries, and in Apia, Samoa (April 2012) for Pacific countries.

While the workshops increase countries' understanding of the AF's accreditation requirements, they do not address the underlying institutional and capacity issues which determine the real chance of success in accreditation. The UNDP conducted a review of the AF's accreditation process and found that there are a significant number of national institutions that have failed accreditation (UNDP 2011). As of September 2011, only six out of the 23 NIE applicants were accredited (Table 11). As of June 2012, the number of accredited NIEs has increased to 12, with India as the only one among ADAPT Asia-Pacific's target countries (See Table 6).

**Table 11: Status of Accreditation Applicants to the AFB Secretariat as of September 2011**

	National Implementing Entity	Regional Implementing Entity	Multilateral Implementing Entity
Screening by AF Secretariat	7	0	0
Under review by Accreditation Panel	7	1	3
Non-accredited	3	0	0
Accredited	6 <sup>4</sup>	1 <sup>5</sup>	9 <sup>6</sup>
Total	23	2	12

Source: UNDP (2001) based on data accessed from the AF website on 3 September 2011.

### 3.4. Roles and Responsibilities of NIEs

A NIE functions as the representative of the AF within a country. Paragraph 27 of the Operational Policies and Guidelines<sup>55</sup> of the AF clearly defines the role of NIEs as follows:

- The NIEs will bear full responsibility for the overall management of projects and programs financed by the AF;
- The NIEs will bear all the financial, monitoring and reporting responsibilities.

**Contrary to general misperception, a NIE is not the agency which develops and implements the AF-funded projects and programs itself.** Instead, project proposals are developed by executing entities (EEs) which receive supervision and oversight from the NIE. The proposals are submitted to the AFB via the NIE. Once proposals are approved by the AFB, funds will flow

<sup>52</sup> <http://www.thegef.org/gef/sites/thegef.org/files/documents/document/Accreditation.pdf> .

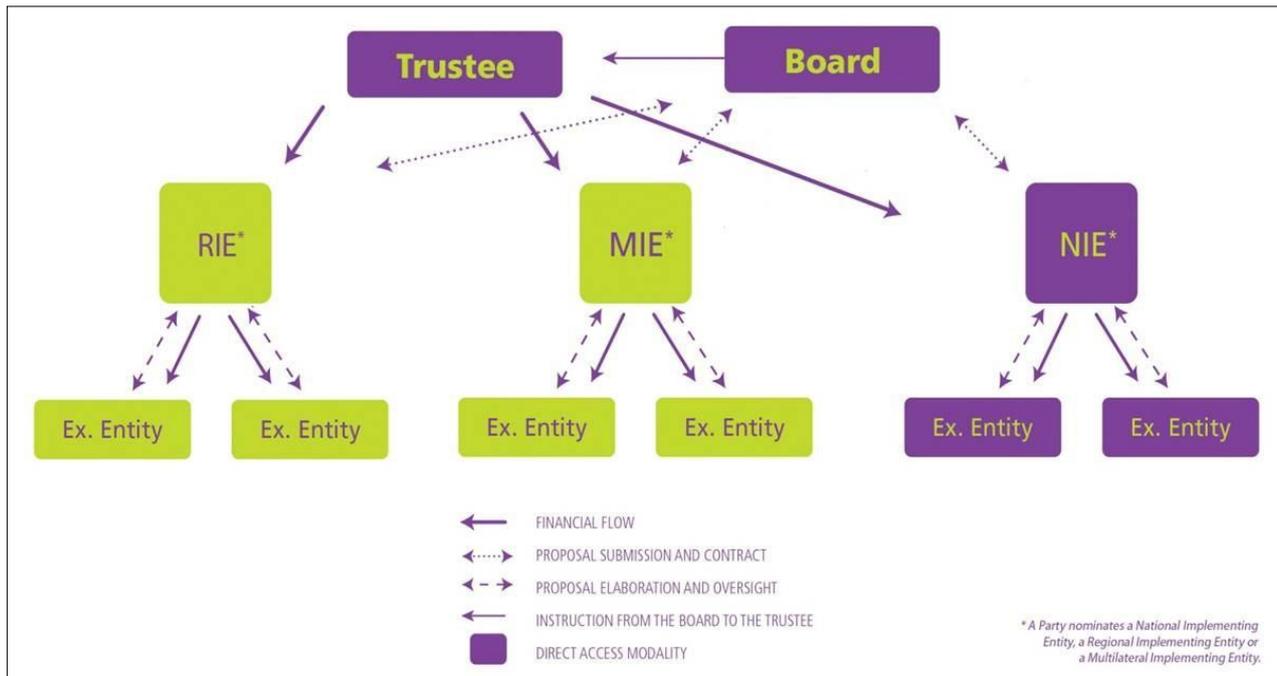
<sup>53</sup> [http://unfccc.int/files/meetings/durban\\_nov\\_2011/decisions/application/pdf/cop17\\_gcf.pdf](http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_gcf.pdf) .

<sup>54</sup> <http://unfccc.int/resource/docs/2010/cmp6/eng/12a01.pdf#page=13> .

<sup>55</sup> [http://adaptation-fund.org/policies\\_guidelines](http://adaptation-fund.org/policies_guidelines) .

through the NIE to the EEs and the NIE will, on behalf of the AF, supervise the EEs in implementing the activities on the ground (Figure 12). In doing so, the NIE will bear financial, monitoring and reporting responsibilities on behalf of the EEs. The AF only communicates with the NIE<sup>56</sup>. The NIE is eligible to charge 8.5% administrative fees, while EEs can charge up to 9% project implementation fees. In practice, there are NIEs which also chose to propose and execute projects themselves. While this is not prohibited, it is not encouraged by the AFB due to concerns related to supervisory effectiveness and the double charging of both administrative and project implementation fees<sup>57</sup>. The AF Operational Policies and Guidelines do not prevent a country from having more than one NIE but the AFB prefers a single NIE policy, thereby accepting one NIE applicant per country.

**Figure 12: Relationship between NIEs, RIEs and NIEs with Executing Entities (EEs) under Various Access Models.**



### 3.5. NIE Accreditation Process

Accreditation is the process of assessment conducted by the AF to check and certify a NIE applicant's capabilities to carry out the required tasks to successfully complete the projects within the planned budget and time and in a manner which meets the objectives outlined in the project document. The AF seeks to verify whether the organization has appropriate processes and systems defined and documented to undertake the tasks and achieve the stated objectives; whether it has adequate checks and balances to monitor, control and report on the activities; and whether it has adequate competence at various levels for implementing the processes and systems effectively and efficiently. Key aspects of organizational capabilities that the AF pays attention to include maintenance of accounts and preparation of financial statements, provisions for external and internal audit, procurement, project management, and creating and maintaining an ethical and corruption-free environment<sup>58</sup>. Box 2 summarizes key steps in the AF's accreditation process. Figure 13 breaks down the steps in more detail and includes key considerations and decisions at each step.

<sup>56</sup> Author's conversation staff Centre de Suivi Ecologique (CSE), Senegal. CSE was the first NIE accredited by the AF.

<sup>57</sup> Author's conversation with staff of the AFB Secretariat during the the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

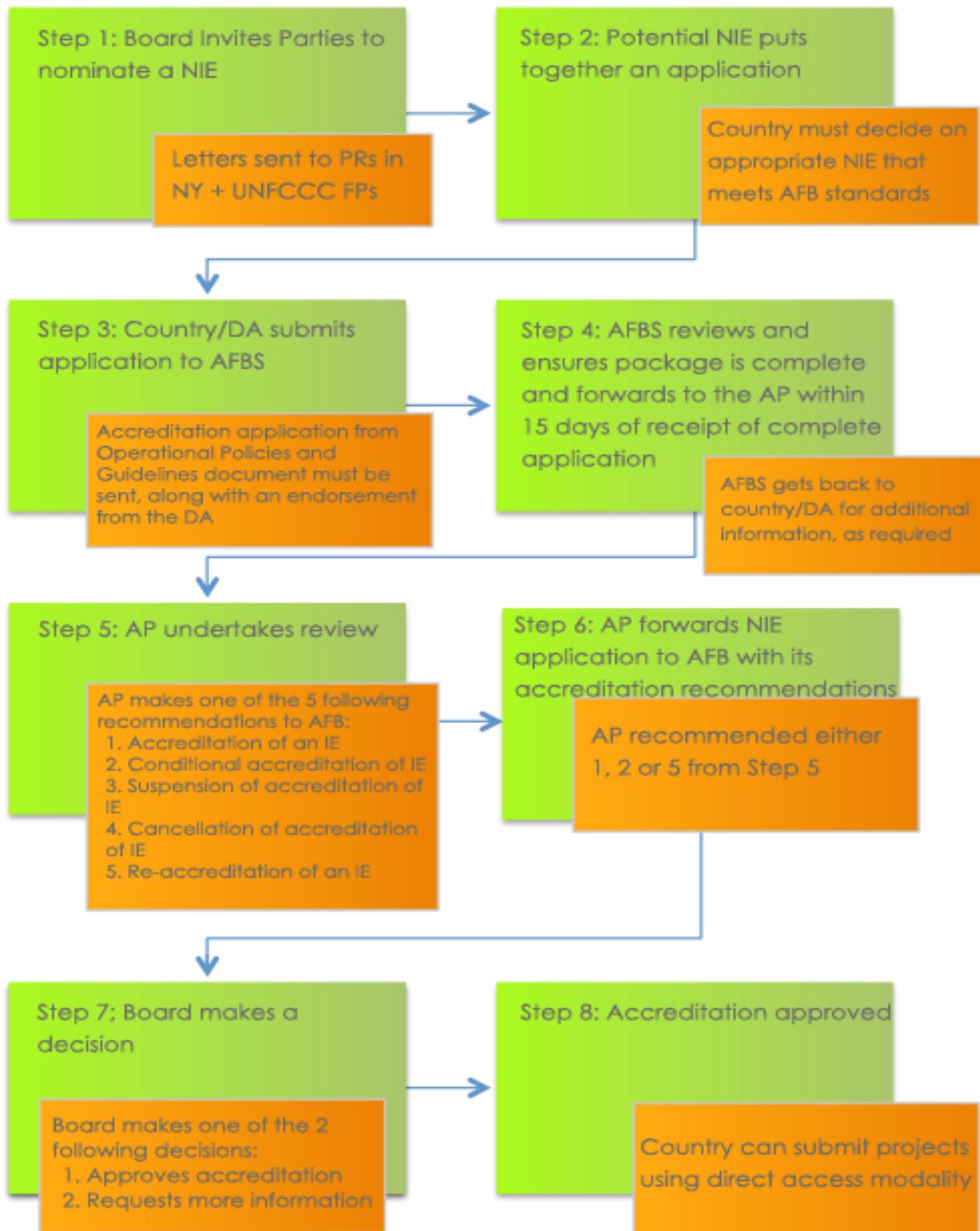
<sup>58</sup> AFB Secretariat. Workshop materials presented at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

## **Box 2: Steps in Getting the Adaptation Fund's Accreditation as an Implementing Entity**

- **Step 0:** The government appoints a Designated Authority (DA). The DA must endorse the accreditation application of Implementing Entity and all IE project/program proposals.
- **Step 1:** Submit application:
  - Description of how the organization meets the specific required capabilities
  - Attachment of supporting documentation
- **Step 2:** Accreditation Panel reviews application.
- **Step 3:** Panel can request additional information/clarification from organization.
  - Might suggest to the Board that an on-site visit is required
  - Might suggest that technical support needs to be provided to an applicant to improve its capacity in order to attain accreditation
- **Step 4:** Panel makes recommendation to the AF Board.
- **Step 5:** The AF Board makes final decision on accreditation of entity.

Source: AFB Secretariat

**Figure 13: Accreditation Steps in More Details**



Source: AFB Secretariat

Nominating a DA is the first step for a country to establish a relationship with the AF and a prerequisite before starting the NIE accreditation process. The DA shall be an officer within the country's government administration who serves as the focal point person towards the AFB and AFB Secretariat. While a DA can be the same person as the GEF and UNFCCC focal points, acquiring a DA status for the AF is not automatic. Communication to the AFB Secretariat to nominate a country's DA shall be made in writing and signed either by a Minister, an authority at cabinet level, or the Ambassador of the nominating country.

DAs play a crucial role in the AF accreditation process by endorsing, on behalf of the national governments, a NIE accreditation application submitted by national institutions; and/or accreditation applications as Regional or Sub-regional Implementing Entities (RIEs) submitted by regional or sub-regional institutions. DAs also need to endorse projects and programs proposed by all types of implementing entities, be they national, regional, or multilateral.

The AFB prefers that DAs come from different institutions from the NIEs in order to ensure checks and balances and prevent a conflict of interest. However, several countries are nominating a DA and a NIE from the same organization. This situation is the subject of an ongoing discussion within the AFB.

### 3.6. NIE Accreditation Criteria

An organization must meet the Fiduciary Standard established by the AFB in order to become a NIE. The AF defines the Fiduciary Standard as “a reference framework of policies, systems and practices which are required by an organization to effectively manage funds and projects on a sustainable basis”. To be accredited, an NIE applicant must meet the AF’s Fiduciary Standard in three areas:

1. Financial Management and Integrity
2. Institutional Capacity
3. Transparency, Self-investigative Powers, and Anti-corruption Measures

It is important to note that the AF does not mandate any particular way, system, or approach by which an organization can meet the Fiduciary Standard; what is important is the ability of an organization to demonstrate that its current system and practices are sufficient in all the three areas.

In the application package, an NIE applicant is required to provide adequate documentary evidence to the AF of both the framework and implementation of all the key parameters of the Fiduciary Standard. The AF also considers experience in handling large projects, especially those relating to climate change. Table 12 summarizes individual assessment criteria associated with each of the three areas, as well as back-up documents required to substantiate the capabilities.

**Table 12: AF Accreditation Assessment Criteria and Back-up Evidence**

1. Financial Management and Integrity	
Criteria	Required Supporting Documents
1.1 Legal Status	<ol style="list-style-type: none"> <li>1. Documents providing clear demonstration of legal status and mandate:               <ul style="list-style-type: none"> <li>- Provide separate letter confirming legal status if necessary</li> </ul> </li> <li>2. List of foreign loan/donor funds handled over the last 2 years</li> <li>3. Clarity or legal opinion that the applicant by virtue of its enabling legislation has no restriction to do the work of a NIE</li> </ol>
1.2 Financial Statements and Audit Requirements	<ol style="list-style-type: none"> <li>1. Audited Financial Statements including project account statements</li> <li>2. External Auditor Reports with management comments and responses</li> <li>3. Audit Committee's Terms of Reference and minutes of meetings</li> <li>4. Name and brief description of accounting package used</li> <li>5. Policy/charter and other published documents (like manuals) that outline the entity's internal auditing function</li> <li>6. Copies of internal audit plans for last 2 years and the current year</li> <li>7. List of internal audit reports of last 2 years and sample reports</li> <li>8. Management response and action taken on internal audit reports</li> </ol>

1.3 Internal Control Framework <sup>59</sup>	<ol style="list-style-type: none"> <li>1. Policy or other published document that outlines the entity's internal control framework (ICF). Demonstration of an effective ICF must include: <ul style="list-style-type: none"> <li>- Documented organisational structure and division of responsibility with reference to internal control</li> <li>- Established policies and procedures undertaken in accordance with management policy and authority</li> <li>- Oversight/audit system that monitors the operation of the internal control system and report findings and recommendations to the top management</li> </ul> </li> <li>2. Procedures describing the payment/ disbursement system with particular reference to project payments/disbursements</li> </ol>
1.4 Preparation of Business Plans and Budgets	<ol style="list-style-type: none"> <li>1. Long Term Strategy/Business plans and/or Financial Projections for the next 3 to 5 years</li> <li>2. Annual budgets for the organization or entities within it</li> <li>3. End of calendar year/fiscal year or periodical budget vs. actual report with analysis of variations</li> </ol>
<b>2. Institutional Capacity</b>	
<i>Criteria</i>	<i>Required Supporting Documents</i>
2.1 Procurement	<ol style="list-style-type: none"> <li>1. Procurement Policy</li> <li>2. Detailed procedures or guidelines including composition and role of key decision making committees</li> <li>3. Provisions for oversight/audit /review of the procurement function with sample oversight/audit/review reports</li> <li>4. Procedures for handling/controlling procurement in Executing Agencies</li> </ol>
2.2 Project Preparation and Approval	<ol style="list-style-type: none"> <li>1. Detailed project plan documents for at least two projects (including likely impact of technical, financial, economic, social, environmental, and legal aspects of the project at the appraisal stage itself) and assessment study of likely risks and corresponding mitigation plans</li> <li>2. Details of the project approval process/procedure within the entity along with the formats and approval levels</li> <li>3. Two samples of project appraisals undertaken in the last 12 to 18 months</li> <li>4. Policy and/or other published document(s) that outline the risk assessment procedures/framework</li> <li>5. Two samples of completed project appraisals with identified risks and corresponding mitigation strategies/plans</li> </ol> <p>The two samples of project documents which demonstrate this capability can be for the same projects for all the aspects of this capability</p>
2.3 Project Implementation	<ol style="list-style-type: none"> <li>1. Operational manual or written procedures for project review system during the design phase</li> </ol>

<sup>59</sup> According to the AF Accreditation Panel, the objective of an Internal Control Framework is to ensure that the organization has in place systems for internal control over operational and financial matters which provide reasonable assurance to all stakeholders that transactions within the organization are:

- Undertaken in accordance with management policy and authority
- Assets are protected against material loss or unauthorized acquisition, use or disposition
- All transactions are properly authorized and recorded
- Environmental and other organizational risks are systematically and regularly identified
- Action to handle the risks is planned, implemented and reviewed.

Planning and Quality-at-entry Review	<ol style="list-style-type: none"> <li>2. Sample documents of actual review done for at least 2 projects</li> <li>3. Samples of project budgets</li> </ol>
2.4 Project Monitoring and Evaluation	<ol style="list-style-type: none"> <li>1. Policy or other published document that outlines monitoring and evaluation requirements</li> <li>2. Detailed procedures and formats used for monitoring and evaluation during project implementation</li> <li>3. Procedures for project-at-risk system or similar process/system to ensure speedy solutions to problems which may interfere with the achievement of the project objectives</li> <li>4. Sample project monitoring and evaluation reports</li> <li>5. Sample of project accounts</li> <li>6. Sample of project audit reports</li> <li>7. Analysis of project expenditure vs. budget</li> </ol>
2.5 Project Closure and Final Evaluation	<ol style="list-style-type: none"> <li>1. Project closure reports or independent evaluation reports containing assessment of the impact/implications of the technical, financial, economic, social, environmental, and legal aspects of projects</li> <li>2. Independent evaluation reports of completed projects/programmes</li> </ol>
<b>3. Transparency, Self-investigative Powers, and Anti-corruption Measures</b>	
<i>Criteria</i>	<i>Required Supporting Documents</i>
3.1 Handling Financial Mismanagement and other Malpractices	<ol style="list-style-type: none"> <li>1. A policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice and its dissemination</li> <li>2. Documented code of conduct/ethics applicable to staff and associates</li> <li>3. Documentation establishing avenues for reporting non-compliance/violation/misconduct and business conduct concerns</li> <li>4. An avenue for reporting frauds/corruption/ complaints must also be available from home page on the organization's website</li> <li>5. Details of policies and procedures relating to managing conflict of interest and whistle blower protection</li> <li>6. The structure and process/procedures within the organization to handle cases of fraud and mismanagement and undertake necessary investigative activities</li> <li>7. Data on cases of violation of code of conduct/ethics and frauds reported in terms of number of cases, types of violations and summary of status/action taken</li> <li>8. System for oversight of the ethics function</li> </ol>

Source: AFB Secretariat. Presentation made at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

The AF accreditation process is essentially a process of exchange of information between the NIE applicant and the AF Accreditation Panel on all of the assessment criteria above. The NIE applicant must be able to supply documents to back up every claim made in the application form in order to convince the Panel that it meets the AF Fiduciary Standard.

### 3.7. Experience and Lessons Learned from the Accreditation Process

Past experience suggests that the time it takes for an NIE to get accredited can vary greatly. Centre de Suivi Ecologique (CSE) in Senegal was the first accredited NIE in 2010 and the process then took only three months. On the other hand, the Ministry of Planning and International Cooperation of Jordan which has been recently accredited took over one year, a timeframe which is more in line with most cases. This may reflect that the standards of the Accreditation Panel have

become more rigorous and additional requirements put in place as the Panel gains more experience in reviewing applications.

Several common reasons contribute to countries experiencing difficulties or delays in attaining accreditation<sup>60</sup>.

#### Before submitting an application:

Some countries have reported difficulties in establishing a robust process for undertaking the selection of appropriate NIEs:

- The Fiduciary Standard was not given adequate consideration during the selection process;
- Inadequate due diligence was conducted when reviewing existing institutional capacity of the potential NIEs;
- Too much focus was given to the institution's experience in handling international loan and donor funds, with low priority given to project management capabilities.

#### After submitting an application:

- Many NIE applicants cannot provide adequate supporting documents to accompany the applications. The reasons are that the documents do not exist, could not be identified, and/or need to be reorganized or upgraded before submitting;
- Translation of documents from a local language to English is also a delaying factor. Given the amount of supporting documents required, it could take an applicant substantial time and resources to do the translations. In order to facilitate the process, the Accreditation Panel advises that only the relevant parts of a document should be translated;
- The Accreditation Panel experienced a lot of no-responses when returning to the NIE applicants with clarification questions. This reflects the fact that some organizations submitted applications simply at the request of national governments but lack the real interest and enthusiasm needed to engage in the accreditation process;
- Several applicants do not have an adequate system and/or capabilities to become NIEs. The most common areas of weakness are **the internal control framework, auditing and the anti-corruption framework**.<sup>61</sup> When these weaknesses are identified by the Accreditation Panel, the applicant needs to put in place a new mechanism or capability to address the gaps and demonstrates that the new system has worked before presenting the new evidence to the Panel. This process itself could take longer than a year.

In many cases, "**conditional accreditation**" is granted to an NIE. Conditional accreditation refers to a situation when the AFB approves that accreditation can go ahead based on an understanding that an agreed set of improvements must take place before money is disbursed to the NIE for the first project. Conditional accreditation is often used when the remaining capability gaps relate to the anti-corruption framework<sup>62</sup>.

### **3.8. Accreditation Status of ADAPT Asia-Pacific Countries**

As of June 2012, India is the only country with an accredited NIE among the 27 ADAPT Asia-Pacific's target countries. While a major contributing factor to low accreditation success in the region is the late occurrence of the AF regional accreditation workshop for Asia and the Pacific compared to Africa and LAC, there are other factors which underlie this accreditation gap. To better understand the reasons for low accreditation interest and success in the region, the UNFCCC conducted a pre-workshop survey among representatives of the 29 countries who attended the "Workshop on the Process and Requirements for the Accreditation of National

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<sup>60</sup> Summary based on the Author's discussions with staff of the AFB Secretariat, members of the AF Accreditation Panel, and country representatives at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

<sup>61</sup> Author's conversation with the AF Accreditation Panel members.

<sup>62</sup> Ibid.

Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe” between 19-21 March 2012 in Manila<sup>63</sup>. Key challenges identified in the survey responses are:

- **Main reasons for not having applied for accreditation:**
  - Limited to no knowledge on the accreditation process (80% of respondents)
  - Unsure of the value of an NIE versus MIE
- **Challenges in the accreditation process:**
  - Difficulty in selecting an appropriate NIE
  - Difficulty in preparing an NIE application
    - Lack of institutional capacity, including limited human resources
    - Lack of coordination among government institutions
  - Stringent accreditation process
  - Countries are used to implementing activities through MIEs.

The above survey findings are highly consistent with those of donor organizations involved in capacity development for direct access to climate finance. For example, based on experience in providing in-country technical assistance, the GIZ has identified four major concrete challenges in the direct access modality and the AF’s accreditation of NIEs: identifying the most appropriate institution; delivering of a convincing application; meeting the fiduciary standards and providing evidence; and supporting successful project implementation (Frode and Assmann 2011)

Actual accreditation progress among ADAPT Asia-Pacific’s target countries varies significantly. Table 13 summarizes the status of 13 ADAPT Asia-Pacific’s target countries in Asia. A similar assessment may be conducted for Pacific Island countries separately.

**Table 13: Accreditation Status of Thirteen ADAPT Asia-Pacific’s Target Countries in Asia**

Country	Status of AF Accreditation Process
Bangladesh	Bangladesh already has a DA from the Ministry of Environment (MOE). In 2011, MOE was nominated to become a NIE and already submitted an application. The first application package was incomplete so the AF advised MOE to resubmit a new package of application. There are remaining questions from the Accreditation Panel mainly with regard to the audit system, but MOE is confident that it can address these questions and is thus close to be accredited.
Cambodia	Cambodia already has a DA from Ministry of Environment. A NIE candidate is not yet selected. It is not clear whether the country will pursue NIE accreditation for the time being since MIEs are perceived as the more efficient avenue. Cambodia also has many ongoing bilateral adaptation projects in the country.
India	National Bank for Agriculture and Rural Development is the country’s NIE
Indonesia	Indonesia already has a DA from the National Council on Climate Change. The Indonesia Climate Change Trust Fund (ICCTF), which is attached to Ministry of National Development Planning/National Development Planning Agency (BAPPENAS), was selected to be the country’s NIE.  The ICCTF was set up with funds from AusAID, DFID and GIZ, with the UNDP serving as an interim fund manager until the end of 2012. The ICCTF currently uses the UNDP’s Fiduciary Standard. It is in the process of transitioning toward a full national trust fund arrangement. It plans start using its own fiduciary standard in 2013 which may not be very different from that of the UNDP.

<sup>63</sup> Yolando Velasco, Manager, Finance Sub-Programme, UNFCCC. Presentation during the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe, Manila, March 19-21, 2012.

Country	Status of AF Accreditation Process
	The ICCTF submitted an application for accreditation in December 2011. An assessment team from the AF Accreditation Panel visited Indonesia in March 2012 to discuss the remaining issues. Some gaps were identified which relate to the internal audit system and a mechanism to handle complaints.
Lao PDR	Lao PDR has a DA from Department of Environment. A NIE candidate is not yet selected.
Maldives	Maldives has a DA from Ministry of Housing and Environment. A NIE candidate is not yet selected.
Mongolia	Mongolia has a DA from Ministry of Nature, Environment and Tourism. A NIE candidate is not yet selected.
Nepal	Nepal does not have a DA yet but is in the process of nominating one from Department of Environment (DOE). In May 2011, the Nepalese government nominated DOE to be the NIE for Nepal, so DOE submitted an application package to the AF. However, such application did not follow the required first step of nominating a DA before the DA can endorse an institution to apply for accreditation. After the Manila accreditation workshop in March 2012, DOE will resubmit an application for NIE accreditation after the DA nomination becomes effective.
The Philippines	The Philippines has a DA from Department of Environment and Natural Resources (DENR). Department of Finance (DOF) has been selected as the NIE candidate but has not yet submitted an application.
Sri Lanka	According to the AF's website, Sri Lanka has two DAs from Ministry of Environment (MOE) and the Environment Education, Promotion & Administration. MOE has been selected as the NIE candidate. Application has been submitted to the AF. Main problems identified by the Accreditation Panel relate to audit reports.
Thailand	Thailand is in the process of nominating the Permanent Secretary of Ministry of Natural Resources and Environment (MONRE) as a DA. A NIE candidate is not yet selected and it is not clear whether the country will pursue NIE accreditation for the time being.
Timor Leste	Timor-Leste still has no DA. A NIE candidate is not yet selected
Vietnam	Vietnam has a DA from Ministry of Natural Resources and Environment (MONRE). A NIE candidate is not yet selected

Source: Author's discussion with country representatives at the Workshop on the Process and Requirements for the Accreditation of National Implementing Entities for Direct Access under the Adaptation Fund for Asia and Eastern Europe between 19-21 March 2012 in Manila, the Philippines.

Based on lessons learned from having reviewed applications from many inappropriate candidates, the AF suggests that NIE candidates should be selected not based on a one-off decision but through a defined process in which with the DA plays a key role. Box 3 outlines steps suggested by the AF for the national NIE candidate selection process.

#### **Box 3 Suggested NIE Candidate Selection Process**

- DA to set up a Selection Committee (SC) (e.g. 2 or 3 persons)
- Based on the requirements of the Fiduciary Standard, the SC should identify a few potential NIEs.

- Develop a shortlist of 2 or 3 suitable entities based on preliminary assessment
- Undertake due diligence of the shortlisted entities
- Identify gaps relating to the three areas of the Fiduciary Standard for the selected entities
- Examine the potential of each entity to bridge the gaps
- Select the most appropriate entity
- Work with the entity to fulfill the gaps
- Work with the entity to complete accreditation application and supporting documentation
- Verify the final application before submission to the Adaptation Fund

Source: AFB Secretariat

#### 4. Summary and recommendations for ADAPT Asia-Pacific

This background technical assessment for the ADAPT Asia-Pacific project aims to gain an in-depth understanding on the existing pool of international climate change funds which can provide resources to finance adaptation activities in the project's target countries. Eleven multilateral and bilateral funds were identified as relevant. It can be estimated that there is approximately USD 260-500 million of funding available for eligible developing countries globally in the multilateral funds system. These resources are from the Adaptation Fund (AF), Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) combined. While the Pilot Program for Climate Resilience (PPCR) is the biggest multilateral fund for adaptation in terms of size, PPCR resources are not included in the above estimates because the fund is not openly available to developing countries globally. Bilateral funds also have substantial uncommitted resources though the exact total amount is unknown. Japan's FSF and the UK's ICF are currently the two largest bilateral sources of climate finance with available funds. The NDF, ICI and NCF also have resources available for future projects but the size of these initiatives is smaller and their actual available amounts are unknown. Funds that have allocated all resources for the time being are the EU's GCCA and the Australia's ICCAI but there is a possibility that the two donors will allocate new resources to fund the two initiatives or create new ones which include an adaptation objective.

From ADAPT Asia-Pacific's perspectives, engagement with the bilateral funds is possible but will likely present operational challenges. Funds such as the GCCA and Japan's FSF function principally as programming funds for the donors themselves to use rather than as funds for countries to apply. After programming, the donors also provide associated technical assistance for the recipients, thereby reducing the scope for ADAPT Asia-Pacific's interventions both in access facilitation and implementation aspects. To play a role in facilitating countries' access to bilateral climate finance, ADAPT Asia-Pacific will have to maintain a close relationship with each donor in order to be informed about the ongoing bilateral dialogue, which in turn can help the project identify support entry points or assist countries to respond strategically to a particular call for proposals. Both of these may be possible but likely require significant time and resources from the team. Therefore, these interventions may only be pursued on a case-by-case basis.

In the immediate term, engaging with the funds managed by the multilateral funds system seems to be the most practical option for ADAPT Asia-Pacific. This is because the multilateral funds still have substantial uncommitted resources which are open for developing countries to access by submitting, directly and indirectly, project proposals through a relatively standardized framework. These funds also target adaptation investment projects, for which the project preparation and proposal development process requires technical skills which are often lacking in developing countries, thus presenting scope for ADAPT Asia-Pacific to provide technical assistance. The three funds that present the most promising opportunities and entry points in this regard are the AF, LDCF and SCCF which are open to project proposals submitted by any eligible developing country. In addition, while PPCR resources have all been allocated to selected pilot countries and regional programs, ADAPT Asia-Pacific's engagement with the PPCR should still be investigated. It is possible for ADAPT Asia-Pacific to engage the MDBs, which are implementing the PPCR-funded activities and the pilot countries themselves in the preparation of individual projects within a country or regional program. In all cases, working with these multilateral funds will require ADAPT Asia-Pacific to develop a close relationship with the MDBs.

A review of adaptation project proposals which were unsuccessful in accessing international financing was conducted as part of this assessment. The review suggested that key technical gaps in adaptation project preparation exist in the following areas: 1) the design of concrete actions with clear adaptation benefits; 2) the cost effectiveness of proposed interventions; 3) the development of appropriate project implementation arrangements; 4) the mechanism to ensure sustainability of project outcomes; and 5) the avoidance of duplication of efforts with other ongoing initiatives. To address these gaps, ADAPT Asia-Pacific's project preparation and capacity building support should strengthen project proponents' understanding of the characteristics of adaptation actions and build technical skills to analyze the cost effectiveness of alternative actions and design appropriate implementation arrangements.

Another potential role of ADAPT Asia-Pacific lies in supporting countries in the NIE accreditation process. While needs should be analyzed on a case-by-case basis, the project could play a role in three important areas of support:

#### **4.1. Technical Assistance to select appropriate NIE candidates**

Given the nature of the AF accreditation process, the Accreditation Panel will only accredit institutions which already possess historical and current capacities and are able to demonstrate them with adequate evidence. Newly established institutions with no performance records are not an appropriate choice for NIEs. The stringent requirements on a track record make the selection of appropriate NIE candidates fundamental in ensuring success. Many countries view this selection as a difficult process, requiring extensive institutional reviews, comparisons, and consultations at the national level before the actual application process can start. Selectively, ADAPT Asia-Pacific can work with countries which are in the process of identifying NIE candidates and organize its support along the steps outlined in the selection process suggested by the AF. Both Laos and Mongolia may be good candidates for this work and have expressed a preliminary interest in receiving ADAPT Asia-Pacific's support

#### **4.2. Targeted technical support during the NIE application process**

The Accreditation Panel may identify several weaknesses of a NIE applicant after an application has been submitted. In Asia, the Philippines and Nepal are in the early stages of application and are thus potential candidates for ADAPT Asia-Pacific to work with. The areas where gaps in capacities exist will vary case-by-case but the likely areas of support include:

- Hiring a consultant to provide back-stop support in identifying and organizing back-up documents for application;
- Support for translation and digitization of back-up documents;
- Hiring a consultant to improve specific aspects of the Fiduciary Standard of the NIE candidate based on the Accreditation Panel's comments; this may include, for example, installing a new system (such as internal audit), improving an operations manual, etc. then monitoring the implementation for a period of time before gathering evidence of effectiveness to present to the Accreditation Panel.

#### **4.3. Technical support to improve certain institutional capacity following a conditional accreditation**

According to CSE<sup>64</sup>, most NIEs still have to continue to improve certain aspects of capabilities even after gaining accreditation. This need presents a scope of targeted technical support from ADAPT Asia-Pacific to these institutions. In Asia, Indonesia currently presents the most promising opportunity for this work. While the Indonesia Climate Change Trust Fund (ICCTF) seems close to attain accreditation, there is a scope to further strengthen its capabilities not just as a NIE but also for the transition to a national trust fund.

In any case, ADAPT Asia-Pacific's support for national institutions to attain NIE accreditation should not only be guided by an immediate goal of gaining direct access to the AF's resources but also by a longer-term objective in strengthening countries' institutional readiness in preparation for future direct access to the GCF. In addition, ADAPT Asia-Pacific should closely coordinate with other agencies, such as the GIZ, UNEP, etc., which are actively involved in supporting national institutions to directly access to climate finance in order to maximize synergy and avoid duplication.

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<sup>64</sup> Author's conversation with staff of Centre de Suivi Ecologique (CSE), Senegal. CSE was the first NIE accredited by the AF.

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[www.thegef.org/gef/LDCF](http://www.thegef.org/gef/LDCF)

[www.thegef.org/gef/SCCF](http://www.thegef.org/gef/SCCF)

[www.climateinvestmentfunds.org/cif/ppcr](http://www.climateinvestmentfunds.org/cif/ppcr)

[www.gcca.eu](http://www.gcca.eu)

[www.ndf.fi](http://www.ndf.fi)

[www.nefco.org/en/financing/nordic\\_climate\\_facility](http://www.nefco.org/en/financing/nordic_climate_facility)

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## **Annex I: Compendium of Funds**

# The Adaptation Fund (AF)

**Fund objectives** Adaptation

**Description** The Adaptation Fund is a multilateral fund under the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol. The fund was established in 2001 to finance concrete adaptation projects and programs and became operational in 2009. The Adaptation Fund will finance concrete adaptation projects and programs whose principal and explicit aim is to adapt to impacts of climate change and increase climate resilience. A concrete adaptation project/program is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. The activities shall aim at producing visible and tangible results on the ground by reducing vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change, including climate variability.

**Available resources**

<b>Funds projected by end 2012 (million USD)<sup>1</sup></b>	<b>Funds received (million USD)<sup>1</sup></b>	<b>Funds approved (million USD)<sup>1</sup></b>	<b>Funds disbursed (million USD)<sup>2</sup></b>
312.98 (Feb 2012)	251.83 (Feb 2012)	109.26 (Feb 2012 )	17.19 (Mar 2012)

Note: the Adaptation Fund generates the majority of its resources from a 2 percent share of proceeds of the Certified Emission Reductions (CERs) issued for Clean Development Mechanism projects under the Kyoto Protocol. The World Bank, as the trustee of the Fund, monetizes the CERs. In addition to this, several developed countries have made contributions to the Fund.

Sources:

<sup>1</sup> AFB/EFC.8/7 ([www.adaptation-fund.org](http://www.adaptation-fund.org))

<sup>2</sup> [http://www.adaptation-fund.org/funded\\_projects](http://www.adaptation-fund.org/funded_projects) (March 5, 2012)

**Activities/sectors supported** There are no prescribed sectors or approaches but so far the fund has supported climate change adaptation in the following sectors: water resources management, land management, agriculture, disaster risk reduction, infrastructure development, fragile ecosystems, including mountainous ecosystems, and integrated coastal zone management. All projects and programs funded need to include a knowledge component.

**Eligible countries** All developing countries that are Parties to the Kyoto Protocol.

**How can countries access fund resources?** Multilateral, regional, and national organizations which have been accredited by the Adaptation Fund Board as implementing entities can submit project proposals for approval by the Board. A proposal must be submitted at least nine weeks prior to a Fund's Board meeting. Up to 50% of fund's resources can be accessed by multilateral implementing entities (MIEs), while 50% is reserved for direct access by national implementing entities (NIEs) and by regional implementing entities (RIEs).

Regular adaptation project and program proposals i.e. those that request funding exceeding USD 1 million, would undergo either a one-step, or a two-step approval process. A small sized project (less than 1 million USD) would undergo a one-step process. In case of the one step process, the proponent would directly submit a fully-developed project proposal. In the two step process, the proponent would first submit a brief project concept, which

would be reviewed by the Project and Program Review Committee (PPRC) and would be endorsed, not endorsed or rejected by the Board. In the second step, the fully-developed project/program document would be reviewed by the PPRC, and would be approved, not approved or rejected by the Board.

<b>Type of support provided</b>	Grants. Project/Program Formulation Grants are also available to National Implementing Entities upon concept endorsement.
<b>Examples of supported project in Asia and the Pacific</b>	<ul style="list-style-type: none"><li>❖ Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia</li><li>❖ Maldives: Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island</li><li>❖ Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security</li><li>❖ Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan</li><li>❖ Enhancing Resilience of Samoa's Coastal Communities to Climate Change</li></ul>
<b>Fund website</b>	<a href="http://www.adaptation-fund.org">www.adaptation-fund.org</a>
<b>Contact person</b>	Ms. Marcia Levaggi Manager Adaptation Fund Board Secretariat <a href="mailto:mlevaggi@thegef.org">mlevaggi@thegef.org</a> Tel: +1 202-473-6390

# The Least Developed Countries Fund (LDCF)

**Fund objectives**      Adaptation

**Description**      The LDCF is a multilateral fund under the United Nations Framework Convention on Climate Change (UNFCCC) administered by the Global Environmental Facility (GEF). The fund was established in 2001 to address the special needs of the 49 Least Developed Country Parties (LDCs) which are especially vulnerable to the adverse impacts of climate change. The fund became operational in 2002. The fund assists LDCs to carry out the preparation and implementation of National Adaptation Programs of Action (NAPAs). In the course of preparing NAPAs, the LDCs identify priority activities that respond to their urgent and immediate needs with regards to adaptation to climate change. The LDCF funds only the additional costs of the immediate adaptation needs over a development (“business-as-usual”) baseline.

Available resources	Funds Pledged (million USD)	Funds Received (million USD)	Funds Approved (million USD)	Funds Disbursed (million USD)
	535 (Jan 2012)	400 (Jan 2012)	224 (Jan 2012)	68.6 (Sept. 2011)

Ceiling per LDC = USD 15 Million

Sources:

LDCF website (<http://www.thegef.org/gef/LDCF>) and LDCF/SCCF Council documents.

**Activities/sectors supported**      Preparation and implementation of National Adaptation Programs of Action (NAPAs), and implementation of urgent and immediate adaptation needs identified under NAPAs. Development sectors prioritized in NAPAs are food security and agriculture (28%); water resources (14%); coastal management (15%); early warning and disaster risks (16%); capacity building (6%); energy (2%); health (4%); ecosystem (15%) The main sectors addressed through LDCF funding are: food security and agriculture (39% of funding), coastal management (24% of funding), and water resources (15% of funding), ecosystem management (2%), disaster risk management (13%), early warning system (7%), health (0%). These coincide with the 3 top NAPA priorities identified across LDCs.

**Eligible countries**      All LDCs

**How can countries access fund resources?**      The proponent of the project develops a concept for a project and submits it to GEF Secretariat through one of the ten implementing agencies of the GEF (UNDP, UNEP, the World Bank, AfDB, ADB, EBRD, IAD, IFAD, FAO, and UNIDO), with a letter of endorsement from the LDC’s government (appointed GEF Operational Focal Point in the country). For medium-sized projects (for LDCF, these are projects smaller than or up to USD 2 million) there is no need to develop a CEO Endorsement request and approval can be done in one step. For a full-sized project, (for LDCF, these are projects larger than USD 2 million) the agency must submit a CEO Endorsement request after the project has been approved by Council. Once the GEF CEO Endorses the project, the funding is released to the Implementing Agency. LDCF projects can be approved on a rolling basis.

**Type of support**      Grants

**provided  
Examples of  
supported project  
in Asia and the  
Pacific**

- ❖ Lao PDR - Effective Governance for Small Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate
- ❖ Cambodia - Strengthening the adaptive capacity and resilience of rural communities using micro watershed approaches to climate change and variability to attain sustainable food security
- ❖ Kiribati - Increasing Resilience to Climate Variability and Hazards
- ❖ Nepal - Community Based Flood and Glacial Lake Outburst Risk Reduction
- ❖ Timor Leste- Strengthening the Resilience of Small Scale Rural Infrastructure and Local Government Systems to Climatic Variability and Risk
- ❖ Samoa - Integration of Climate Change Risk and Resilience into Forestry Management (ICCRIFS)

**Fund website**

<http://www.thegef.org/gef/LDCF>

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# The Special Climate Change Fund (SCCF)

**Fund objectives** Adaptation, Mitigation

**Description** The SCCF is a multilateral fund under UNFCCC administered by the Global Environmental Facility (GEF). The fund was established with four financing windows, two of which are active: Adaptation and Technology transfer. Adaptation is the Fund's top priority. SCCF supports activities which are country-driven, cost-effective, and integrated into national sustainable development and poverty reduction strategies; and which take into account national communications or NAPAs and other relevant studies and information provided by the Party. The fund was established in 2001 and became operational in 2002.

**Available resources**

Funds Pledged (million USD)	Funds Received (million USD)	Funds Approved (million USD)	Funds Disbursed (million USD)
240 million (Jan 2012)	196.3 (Jan 2012)	147.4 (Feb 2012)	68.1 (Sept. 2011)

Source:  
SCCF website (<http://www.thegef.org/sccf>) and LDCF/SCCF Council documents:

**Activities/sectors supported** Long-term and short-term adaptation activities in water resources management; land management; agriculture; health; infrastructure development; fragile ecosystems; including mountainous ecosystems; and integrated coastal zone management.

**Eligible countries** All developing country parties to the UNFCCC

**How can countries access fund resources?** The proponent of the project develops a concept for a project and submits it to GEF Secretariat through one of the ten implementing agencies of the GEF (UNDP, UNEP, the World Bank, AfDB, ADB, EBRD, IAD, IFAD, FAO, and UNIDO), with a letter of endorsement from the country's government (appointed GEF Operational Focal Point in the country). For medium-sized projects (projects smaller than or up to USD 1 million) there is no need to develop a CEO Endorsement request and approval can be done in one step. For a full-sized project, (projects larger than USD 1 million) the agency must submit a CEO Endorsement request after the project has been approved by Council. Once the GEF CEO Endorses the project, the funding is released to the Implementing Agency.

**Type of support provided** Grants

**Examples of supported project in Asia and the Pacific**

- ❖ Philippines - Climate Change Adaptation Project, Phase I
- ❖ Mongolia - Mongolia Livestock Sector Adaptation Project
- ❖ Thailand - Strengthening the Capacity of Vulnerable Coastal Communities to Address the Risk of Climate Change and Extreme Weather Events

**Fund website** [www.thegef.org/gef/SCCF](http://www.thegef.org/gef/SCCF)

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# Climate Investment Funds (CIF) - Pilot Program for Climate Resilience (PPCR)

**Fund objectives**      Adaptation

**Description**      The PPCR is a strategic subprogram under the Strategic Climate Fund (SCF), which is one of two Trust Funds that comprise the Climate Investment Funds (CIF) – a joint undertaking of the Multilateral Development Banks, with an Administrative Unit housed at World Bank and stakeholders including recipient and contributing countries, the UN Framework Convention on Climate Change (UNFCCC), the Adaptation Fund, bilateral development agencies, non-governmental organizations, indigenous peoples, private sector entities, scientific and technical experts, UN agencies and the Global Environment Facility (GEF). Approved in November 2008, the PPCR governance body has pilot recipients, and PPCR is providing incentives for scaled-up action and transformational change in integrating consideration of climate resilience in national development planning consistent with poverty reduction and sustainable development goals in 9 countries and 2 regions.

**Available resources**

<b>Funds Pledged (million USD) <sup>1</sup></b>	<b>Funds Received (million USD) <sup>2</sup></b>	<b>Funds Approved (million USD) <sup>2</sup></b>	<b>Funds Disbursed (million USD) <sup>2</sup></b>
1200 (Nov 2011)	700.54 (Nov 2011)	148.38 (Jan 12)	55 (Jan 2012)

Sources:

<sup>1</sup> Andrea Kutter, Program Coordinator, (FIP and PPCR), Administrative Unit, Climate Investment Funds, World Bank.

<sup>2</sup> <http://www.climatefundsupdate.org/listing/pilot-program-for-climate-resilience>

**Activities/sectors supported**      Scaled-up action and transformational change in integrating consideration of climate resilience in national development planning consistent with poverty reduction and sustainable development goals. PPCR takes a programmatic approach rather than funding individual projects.

PPCR operational and financing priorities are:

- (a) Pilot and demonstrate approaches for integration of climate risk and resilience into development policies and planning;
- (b) Strengthen capacities at the national levels to integrate climate resilience into development planning;
- (c) Scale-up and leverage climate resilient investment, building on other ongoing initiatives;

Sectors supported include water resource, food security, disaster risk reduction, coastal management, community development, ecosystem, urban, infrastructure, transport, health, tourism industry, private sector

**Eligible countries**      Countries which are (a) eligible for Official Development Aid (ODA) and (b) have an active country program with one of the multilateral development institutions. In practice, there is a priori selection of PPCR target countries

**How can countries access**      PPCR has selected 9 countries and 2 regional programs as initial pilots to receive support based on the results of analysis conducted by an Expert

<b>fund resources?</b>	Group of different vulnerability criteria. Decisions over budgets for both Phase I (Strategic Programs for Climate Resilience (SPCR)) and Phase II activities (implementation of the SPCR) for the selected country or region requires approval from the PPCR Sub-Committee.
<b>Type of support provided</b>	Grants, concessional loans, co-financing
<b>Examples of supported project in Asia and the Pacific</b>	<ul style="list-style-type: none"> <li>❖ Bangladesh's PPCR Programming</li> <li>❖ Cambodia's PPCR Programming</li> <li>❖ Nepal's PPCR Programming</li> </ul>
<b>Fund website</b>	<a href="http://www.climateinvestmentfunds.org/cif/ppcr">www.climateinvestmentfunds.org/cif/ppcr</a>
<b>Contact person</b>	<p>Andrea Kutter  Program Coordinator, (FIP and PPCR)  Administrative Unit, Climate Investment Funds  World Bank  Email: <a href="mailto:akutter@worldbank.org">akutter@worldbank.org</a>  T: 1-202-473-4231  F:1-202.522.2937</p>

# The Global Climate Change Alliance (GCCA)

**Objectives**<sup>65</sup> Mainstreaming Adaptation (including DRR<sup>66</sup>), and Mitigation (REDD<sup>67</sup> and CDM<sup>68</sup>)

**Description** Launched in 2007, the GCCA is an initiative of the European Union, coordinated by the European Commission, to strengthen dialogue and cooperation on climate change with developing countries most vulnerable to climate change. It focuses on the Least Developed Countries (LDCs) and the Small Island Developing States (SIDS), which are often the most affected by climate change but have the fewest resources to tackle it. The two pillars of the GCCA are:

1. To act as a **platform for dialogue and exchange of experiences** between the EU and developing countries on climate policy and on practical approaches to integrate climate change into development policies and budgets.
2. To provide **technical and financial support** to targeted developing countries to integrate climate change into their development policies and budgets and to implement adaptation and mitigation interventions.

**Available resources** GCCA funds are European Commission programming funds (not a multi-donor trust fund) coming from the European Commission budget, the 10<sup>th</sup> European Development Fund, and from contributions from EU Member States (Ireland, Sweden, Estonia, Cyprus and the Czech Republic), including fast start finance pledged at the UNFCCC 15<sup>th</sup> Conference of the Parties (CoP) in Copenhagen in 2009.

Funds approved for the period 2008-2013: EUR 262.15 million (USD 344.5 Million)

The next Multi-annual Financial Framework (2014-2020) is currently under discussion.

Source: European Commission

**Activities/sectors supported** The GCCA focuses its technical support along **five priority areas**:

- ❖ Mainstreaming climate change into poverty reduction development strategies
- ❖ Adaptation, building on the National Adaptation Programs of Action (NAPAs) and other national plans
- ❖ Reducing Emissions from Deforestation and Forest Degradation (REDD)
- ❖ Enhancing participation in the Clean Development Mechanism (CDM)
- ❖ Disaster Risk Reduction (DRR)

**Eligible countries** 73 LDCs and Small Island Developing States (SIDS) recipients of aid.

**How can countries access fund resources?** An assessment is made of each country's vulnerability to climate change, adaptive capacity, engagement in dialogue on climate change and expression of interest by their government to receive support from the GCCA. Funds are then allocated to countries, based on availability of

<sup>65</sup> The GCCA is not a Multi-donor Trust Fund. GCCA funds are European Commission programming funds, to which EU Member States can contribute.

<sup>66</sup> Disaster Risk Reduction.

<sup>67</sup> Reducing Emissions for Deforestation and Forest Degradation.

<sup>68</sup> Clean Development Mechanism.

resources.

**Type of support provided**

Grants. Budget support is used as a modality when it is a good option.

**Examples of Supported projects in Asia and the Pacific**

The GCCA is supporting 32 programs in over 25 countries and regions. Current regional and country level interventions in Asia and the Pacific include the following:

- ❖ Bangladesh, Bhutan, Cambodia, Lao PDR, Maldives, Nepal, and the Lower Mekong Basin (with the Mekong River Commission)
- ❖ Samoa, Solomon Islands, Vanuatu, and the Pacific region overall (with the University of the South Pacific, and the Secretariat of the Pacific Community)

Regional and country programs are complemented by a series of workshops for representatives of governments and regional organizations, on mainstreaming climate change into national development planning and budgeting. The Asia regional workshop will be held in Bangkok from 14 to 17 March 2012.

Links to individual projects:

[The GCCA and the Climate Change Trust Fund \(CCTF\) Programme in the Maldives: Building a climate change sustainable strategy and action plan](#)

[Increasing Cambodia's Government Capacities to Deal with Climate Change Challenges](#)

[Bangladesh Climate Change Resilience Fund \(BCCRF\) Improving 10 million lives through climate change \(CC\) adaptation, mitigation and Disaster Risk Reduction measures](#)

[The Global Climate Change Alliance thematic Support to Vanuatu: Mainstreaming climate change adaptation and disaster risk reduction into Vanuatu's economy and resource management system](#)

[Building Climate Resilience in Nepal](#)

[GCCA -Solomon Islands Climate Change Assistance Programme \(SICAP\)](#)

[Contribution Agreement with Secretariat of the Pacific Community \(SPC\)](#)

**Website**

www.gcca.eu

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# Nordic Development Fund (NDF)

<b>Fund objectives</b>	Adaptation, Mitigation
<b>Description</b>	<p>The NDF provides grant financing for climate change interventions in low-income developing countries. NDF is the joint development finance institution of the Nordic countries—Denmark, Finland, Iceland, Norway and Sweden—and finances projects by providing grants to co-finance with multilateral and bilateral partners. From 1989 to 2005 NDF provided soft loans for social and economic development. In 2009, the NDF owners decided that the Fund should provide grant financing for climate change investments in low-income countries. Key objectives are to facilitate greater investments to address the causes and consequences of climate change; to support development and climate change strategies in developing countries; to maximize additionality and complementarity in relation to other available financing; to mirror the Nordic countries' priorities in the area of climate change and development. The Nordic Climate Facility (NCF), which provides smaller-sized grants to low-income countries based on annual thematic calls for proposals, is a financing mechanism of the NDF.</p>
<b>Available resources</b>	<p>NDF's climate portfolio as of December 2011 includes 39 projects with a total value of EUR 106.6 million.</p> <p>Source: NDF Newsletter 1/2012</p>
<b>Activities/sectors supported</b>	<p>The following three focus areas are relevant for NDF grants: infrastructure and energy, natural resources, and climate change related capacity building. Supported climate change adaptation measures include a wide range of efforts that enhance NDF partner countries' possibilities to respond to climate change related hazards such as sea level rise and extreme weather conditions, as well as impacts on health and food security. Adaptation measures to address adverse effects of climate change include strengthening of traditional coping mechanisms and practices, research and planning as well as "climate proofing" of sectors, geographic areas and projects. Africa is the leading beneficiary of NDF financing as 42% is going to the region, while 30% and 28 % are going to Latin America and Asia respectively.</p>
<b>Eligible countries</b>	<p>27 low-income countries in Africa, Asia and Latin America. Eligible countries in Asia are <b>Bangladesh, Cambodia</b>, Kyrgyz Republic, <b>Lao PDR, Maldives, Mongolia, Nepal</b>, Pakistan, <b>Sri Lanka</b>, and <b>Vietnam</b>. ADAPT Asia-Pacific target countries are highlighted countries</p>
<b>How can countries access fund resources?</b>	<p>Projects are normally identified by governments in partner countries according to national priorities. NDF also has a strong working relationship with the World Bank, Asian Development Bank, Inter-American Development Bank, African Development Bank and Nordic bilateral development organizations, and projects are often identified through these partnerships. In addition, NDF aims at obtaining project information and ideas through Nordic firms, organizations and networks. All grant decisions are made by NDF's Board of Directors. The decisions are prepared by NDF's administration.</p>
<b>Type of support provided</b>	Grants (EUR 500,000 to EUR 4 million)
<b>Examples of supported</b>	<ul style="list-style-type: none"><li>❖ Vietnam – Integrating climate change adaptation to transport</li><li>❖ Cambodia - Water Resources Management Project (WRMP)</li></ul>

**project in Asia  
and the Pacific**

- ❖ Cambodia- Adaptation Approaches for the Transport Sector
- ❖ Laos- Capacity enhancement for coping with climate change

**Fund website**

[www.ndf.fi](http://www.ndf.fi)

**Contact person**

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# Nordic Climate Facility (NCF)

**Fund objectives**      Adaptation, Mitigation

**Description**            The NCF is a facility financed by the Nordic Development Fund (NDF) and implemented jointly with the Nordic Environment Finance Corporation (NEFCO), with resources from five Nordic countries: Sweden, Finland, Denmark, Norway, and Iceland. The NCF promotes the transfer of technology, know-how and innovative ideas between the Nordic countries and low-income countries facing climate change. The aim is to increase low-income countries' abilities to mitigate and adapt to climate change and to contribute to sustainable development and the reduction of poverty.

**Available resources**

## Funds Pledged (million EUR)

18 million EUR (6 million EUR per year; three calls for proposals so far)

Source: [http://www.nefco.org/en/financing/nordic\\_climate\\_facility](http://www.nefco.org/en/financing/nordic_climate_facility)

**Activities/sectors supported**      Energy, transport, water and sanitation, other areas related to natural resource management. Themes for three calls for proposal were energy efficiency & water resources (2009/10); renewable energy & urban adaptation (2010/11); low-cost climate solutions with a focus on local business development (2011/12)

**Eligible countries**            27 low-income countries in Africa, Asia and Latin America. Eligible countries in Asia are Bangladesh, Cambodia, Kyrgyz Republic, Lao PDR, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Vietnam

**How can countries access fund resources?**      NCF is based on annual calls for proposals. Financing is granted to Nordic institutions, organizations, companies, and authorities which have established cooperation with partner(s) in eligible low income countries. A project proposal should be submitted by the Nordic entity.

The application process includes the following steps:

- ❖ Annual call for proposals with a specific themes
- ❖ Pre-qualification phase
- ❖ Eligibility and technical review of all proposals
- ❖ Short listed organizations invited to elaborate full proposal
- ❖ Submission of full proposals
- ❖ Full technical and financial evaluation
- ❖ Site visits and contract negotiations

**Type of support provided**      Grants (EUR 250000-500,000)  
The grant funding may cover up to 80% of the proposed costs.  
The projects must have an implementation period of 24 months or less.

**Examples of supported project in Asia and the Pacific**      All 14 projects awarded under the first call were for African and Latin American countries (<http://www.ndf.fi/index.php?id=81>). Under the second call, 12 contracts are under negotiation, 4 of them from Asia. A project under negotiation in Asia is by proposed by the *Norwegian Institute for Water Research (NIVA)* with the *University of Moratuwa* and other local partners, with an objective to prepare climate resilient adaptation strategies and action plans for coastal urban areas in Sri Lanka.

**Fund website**            [http://www.nefco.org/en/financing/nordic\\_climate\\_facility](http://www.nefco.org/en/financing/nordic_climate_facility)

**Contact persons**        Mr. Kari Hämekoski

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Country Program Manager at NDF  
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# International Climate Initiative (ICI)

**Fund objectives** Adaptation, Mitigation, REDD+, Biodiversity

**Description** Since 2008, the International Climate Initiative (ICI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) has been financing climate and biodiversity projects in developing and newly industrializing countries, as well as in countries in transition. Based on a decision taken by the German parliament (Bundestag), a sum of EUR 120 million is available for use by the initiative annually. The ICI is a key element of Germany's fast start financing. The Energy and Climate Fund launched by the German Government in 2011 is a further source of finance for international climate projects, and for activities to conserve biological diversity. Part of that funding is deployed through the ICI. The Energy and Climate Fund is replenished from the auctioning of emission allowances.

The ICI is active in four areas: promoting climate-friendly economies, fostering measures to adapt to the effects of climate change, ensuring the conservation and sustainable use of natural carbon reservoirs, and conservation of biodiversity.

**Available resources**

Funds Pledged (million USD) <sup>1</sup>	Funds Received (million USD) <sup>2</sup>	Funds Approved (million USD) <sup>2</sup>	Funds Disbursed (million USD) <sup>2</sup>
-	-	USD 834 As of February 2012	No information
(Thematic breakdown: 58% for climate friendly economy, 14.5% for adaptation and 27% for carbon sinks/REDD+)			

Source: [Programme Office International Climate Initiative](#)

**Activities/sectors supported** Energy efficiency and renewable energies, climate policy, carbon market (CDM/JI)/emissions trading, transport, waste, highly potent greenhouse gases, innovative financing instruments, MRV, protection and sustainable use of climate-relevant biodiversity, REDD+, adaptation strategies, ecosystem-based adaptation, insurance solutions, protection of biological biodiversity

**Eligible countries** Broad eligibility including developing countries, newly industrializing and transition countries, Africa, Southeast and South Asia, Small Island States in the Pacific and the Caribbean, Southeast Europe, Caucas, Central Asia, Middle East and North Africa (MENA), Central and South America. Among others, the ICI focuses on the BASIC countries (Brazil, South Africa, India, China) and Russia. The Initiative has worked with these five countries on almost a third of its projects.

**How can countries access fund resources?** ICI is based on annual calls for proposals. Project proposals can be submitted by implementing organizations of the German Development Cooperation, and by non-governmental and governmental organizations, universities and research institutes, private-sector companies, multilateral development banks, and organizations and programs of the United Nations. Projects are selected in a two stage procedure; 1) appraisal of project outlines and 2) review of full proposals. The funding decision is taken by BMU.

<b>Type of support provided</b>	Grants, (interest-subsidized) loans, project-based contributions to international funds (ODA).
<b>Examples of supported project in Asia and the Pacific</b>	<ul style="list-style-type: none"> <li>❖ Regional - <a href="#">Vulnerability assessment and adaptation to climate change for water resource management in coastal cities of Southeast Asia</a></li> <li>❖ Regional- <a href="#">Cities in Asia develop Climate Sensitive Adaptation Plans</a></li> <li>❖ Regional- <a href="#">Pacific Mangroves Initiative for Climate Change Adaptation and Mitigation</a></li> <li>❖ Thailand - <a href="#">Climate Protection in Nature-Based Tourism</a></li> <li>❖ Philippines - <a href="#">Adapting to Climate Change and Conserving Biological Diversity</a></li> <li>❖ Nepal - <a href="#">Increasing climate change resilience of vulnerable communities in Humla and Jumla districts, Nepal</a></li> <li>❖ Vietnam - <a href="#">Sustainable Development of Coastal Protected Forests (Wetlands) in Bac Lieu Province</a></li> <li>❖ Regional - <a href="#">Marine and Coastal Protected Areas in the Coral Triangle</a></li> </ul>
<b>Fund website</b>	<a href="http://www.international-climate-initiative.com">http://www.international-climate-initiative.com</a>
<b>Contact persons</b>	<p>Programme Office International Climate Initiative  Potsdamer Platz 10  10785 Berlin, Germany  Email: <a href="mailto:programmbuero@programmbuero-klima.de">programmbuero@programmbuero-klima.de</a></p>

# Japan's Fast-Start Finance (Japan's FSF)

**Fund objectives**      Adaptation, Mitigation, REDD

**Description**            In December 2009, Japan announced the assistance of approximately USD 15 billion including public and private financing, of which public finance comprises approximately USD 11 billion, as the assistance to developing countries up to 2012 to address climate change (announced as the "Hatoyama Initiative", hereinafter referred to as the Fast-Start Financing). This Fast-Start Financing aims to assist developing countries, especially those making efforts to reduce GHG emissions as well as those which are vulnerable to the negative impacts of climate change, taking into account the developments in the international negotiations and the states of Japan's reconstruction. Faced with an unprecedented disaster, the Great East Japan Earthquake, Japan is determined to overcome the catastrophe and to continue to faithfully implement the commitment on the Fast-Start Financing to fulfill a positive role in the international community.

**Available resources**

Funds Pledged (USD) <sup>1</sup>	Funds Disbursed
USD 1.5 billion (ODA - USD 7.2 billion and; other official flows (OOF)-7.8 billion dollars)	<b>USD 12.5 billion</b> as of October 2011 (if counting funding from all sources since 2009); <b>USD 960 million</b> (if counting the Fast-Start Financing limited to the projects based on public financing and projects implemented from January 2010 onward)

Source:

<sup>1</sup> [http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012\\_en.pdf](http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf)

**Activities/sectors supported**      Adaptation, Mitigation, Agriculture, Disaster Risk Reduction, Energy Efficiency, Renewable Energy. Over 50% of Japan's grant aid to be delivered for Africa and LDCs is devoted to adaptation

**Eligible countries**            Asia, Africa, Latin America, with a focus on Africa, Least Developed Countries (LDCs), Small Island Developing States (SIDS)

**How can countries access fund resources?**      Questions about Japan's Fast-Start Financing should be directed to Japanese Embassies and JICA's local offices. Inquiries on outcome or data of Japan's Fast-Start Financing, should be directed to Japanese Embassies.

**Type of support provided**      Japan's assistance to developing countries is composed of two main types of assistance. One is **Official Development Assistance (ODA)** such as grant aid, technical assistance, concessional loan and contribution to multilateral funds, which are implemented by relevant ministries and agencies, Japan International Cooperation Agency (JICA) and other institutions. The other includes **Other Official Flow (OOF)** such as co-financing of the Japan Bank of International Cooperation (JBIC), and private financing catalyzed by the basis of public financing.

- Examples of supported project in Asia and the Pacific**
- ❖ Sri Lanka - Disaster Management Capacity Enhancement Project Adaptable to Climate Change
  - ❖ Solomon Islands - Project for the Improvement of Radio Broadcasting Network for Administration of Disaster Prevention

- ❖ Samoa - Programme for Improving the Weather Forecasting System and Meteorological Warning Facilities
- ❖ Fiji - Strengthening Community Disaster Risk Management Project in the Pacific Region

**Fund website**

[http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012\\_en.pdf](http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf)

**Contact person**

Questions about Japan's Fast-Start Financing should be directed to Japanese Embassies and JICA's local offices. Inquiries on outcome or data of Japan's Fast-Start Financing, should be directed to Japanese Embassies.

# International Climate Fund (ICF)

**Fund objectives**      Adaptation, Mitigation - General, Mitigation – REDD

**Description**      The ICF is a cross-departmental fund established by the UK 2010 Comprehensive Spending Review to provide climate change related aid over the period 2011-12 to 2014-15. In essence, the ICF commits UK climate finance for two years beyond the fast start period (2010-2012). The initiative is implemented by three agencies: Department of Energy and Climate Change (DECC), Department for International Development (DFID), and Department for Environment, Food and Rural Affairs (DEFRA). The UK Government has set up the ICF to help developing countries tackle climate change and reduce poverty. The initiative will work in partnership with developing countries to take action to reduce carbon emissions and to help people adapt to the effects of climate change. The ICF will focus on three priorities:

- ❖ Helping the poorest people adapt to the effects of climate change on their lives and livelihoods
- ❖ Helping poor countries develop in ways that avoid or reduce harmful greenhouse gas emissions and enabling millions of people to benefit from clean energy
- ❖ Protecting the world’s forests and the livelihoods of the 1.2 billion people who depend on them

**Available resources**

Funds Pledged	Funds Approved
GBP 2.9 billion between 2011 to 2015, out of which GBP 1.5 billion is part of UK’s Fast Start commitment between 2010-2012	GBP 1.06 billion was committed in 2010 and 2011 (GBP 122 million through bilateral program and GBP 934 million to multilateral funds)

Note: The ICF is implemented by three agencies: DFID (GBP 1.8 billion), DECC (GBP 1 billion) and Defra (GBP 100 million).

Source:

<http://www.dfid.gov.uk/Documents/publications1/fast-start-climate-change.pdf>

**Activities/sectors supported**

Adaptation (50%), low carbon development (30%) and forestry (20%). For adaptation, activities supported include agriculture investments, disaster risk reduction (DRR) investments, water resources management, infrastructure and urban investments, coastal zone and ecosystems management investments, social protection measures, health systems.

**Eligible countries**

Countries most threatened by the risks of climate change are eligible for ICF resources. These includes developing countries with any or all of the following characteristics: a vulnerable poor population, significant forest cover, vast coastal areas, high demand for water management, a need for risk management and disaster preparation systems, poor urban infrastructure, among many others.

**How can countries access fund resources?**

Proposals for ICF expenditure will be prepared for Ministers by an ICF Board comprising of Directors Generals from DECC, DFID, Foreign and Commonwealth Office (FCO), DEFRA, Her Majesty’s Treasury (HMT), and chaired by DFID. Projects are funded bilaterally as well as through multilateral institutions

<b>Type of support provided</b>	Capital contributions (to multilateral funds) and grants (bilateral contributions)
<b>Examples of supported project in Asia and the Pacific</b>	<ul style="list-style-type: none"> <li>❖ Indonesia - Support to Climate Change Program in Indonesia</li> <li>❖ Nepal - Support to Climate Change Program</li> <li>❖ South Asia - South Asia Water Initiative</li> <li>❖ Vietnam - Vietnam: DFID –World Bank Climate Change Partnership</li> </ul>
<b>Fund website</b>	<a href="http://www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx">http://www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx</a>
<b>Contact person</b>	<p>Ms. Ciara Silke  Climate Policy Advisor  Climate &amp; Environment Strategy Unit  Department for International Development (DFID)  Email: <a href="mailto:c-silke@dfid.gov.uk">c-silke@dfid.gov.uk</a></p>

# International Climate Change Adaptation Initiative (ICCAI)

**Fund objectives**      Adaptation

**Description**      In recognition of the adaptation challenges faced by developing countries, and particularly those in Asia and the Pacific, Australia invested AUD 150 million over three years from 2008–09 to meet high priority climate adaptation needs in vulnerable countries. This assistance will be scaled up by AUD 178.2 million over two years to 2012–13—a total of AUD 328.2 million—to help the most vulnerable countries adapt to the impacts of climate change. The ICCAI is working closely with partner countries to enhance the level of understanding of climate change impacts, build capacity to effectively plan and implement adaptation strategies and to implement priority adaptation actions.

The overarching objectives of the program are to:

- ❖ Establish a sound policy, scientific and analytical basis for long-term Australian action to help developing partner countries adapt to the impacts of climate change.
- ❖ Increase understanding in partner countries of the impacts of climate change on their natural and socioeconomic systems.
- ❖ Enhance partner country capacity to assess key climate vulnerabilities and risks, formulate appropriate adaptation strategies and plans, and mainstream adaptation into decision making.
- ❖ Identify and help finance priority adaptation measures to increase the resilience of partner countries to the impacts of climate change.

**Available resources**

Funds Pledged	Funds Received	Funds Approved	Funds Disbursed
AUD 328.2 million between 2008-2013	AUD 328.2 million	AUD 328.2 million	AUD 172.1 million

Source: [http://www.usaid.gov/keywords/adaptation\\_initiative.cfm](http://www.usaid.gov/keywords/adaptation_initiative.cfm)

**Activities/sectors supported**

The initiative comprises four interrelated components, which in combination will deliver a coordinated package of development assistance:

Component 1: Improved scientific information and understanding

- The Pacific Climate Change Science Program (PCCSP)

Component 2: Strategic planning and vulnerability assessments

- Pacific Adaptation Strategy Assistance Program (PASAP)

Component 3: Implementing, financing and coordinating adaptation measures

Component 4: Contribution to multilateral adaptation funds.

**Eligible countries**

The primary geographic emphasis of the International Climate Change Adaptation Initiative is Australia's neighbors in Asia and the Pacific. Assistance is also available for countries in South Asia, the Caribbean and Africa.

**How can countries access fund resources?**

Through grants application and bilateral assistance. Assistance is delivered through a variety of mechanisms – international organizations, Pacific regional organizations, national governments and non-government organizations.

<b>Type of support provided</b>	Grants
<b>Examples of supported project in Asia and the Pacific</b>	<p><b>Component 1:</b></p> <ul style="list-style-type: none"> <li>❖ Pacific - The Pacific Climate Change Science Program</li> </ul> <p><b>Component 2:</b></p> <ul style="list-style-type: none"> <li>❖ Pacific and East Timor - Pacific Adaptation Strategy Assistance Program</li> </ul> <p><b>Components 3 and 4:</b></p> <ul style="list-style-type: none"> <li>❖ AUD 40 million to the Pilot Program for Climate Resilience to integrate climate risk and resilience into core development planning.</li> <li>❖ Community based adaptation through the GEF Small Grants program (AUD 12 million) and an NGO Grants scheme in South East Asia and the Pacific (AUD 30 million).</li> <li>❖ Support for the Least Developed Countries Fund (AUD 31.5 million) to support capacity building to help LDCs prepare and implement National Adaptation Programs of Action.</li> <li>❖ Support for the Adaptation Fund to support concrete adaptation activities that reduce vulnerability and increase capacity to respond to the impacts of climate change (AUD 15 million).</li> <li>❖ Assisting three Vietnamese Mekong delta provinces integrate climate change responses into provincial planning and budgets, including mangrove rehabilitation, alternate farming practices and livelihoods and improved dyke construction and management (AUD 9.7 million).</li> <li>❖ Climate-proofing of transport infrastructure in Vanuatu (AUD 3 million) and in the Solomon Islands (AUD 4 million).</li> <li>❖ Support to the Secretariat of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP) to implement adaptation activities (AUD 6 million).</li> <li>❖ Addressing water security in South Asia through the South Asia Water Initiative (AUD 3 million).</li> <li>❖ In Nauru and Tuvalu, funding the construction and installation of over 600 large rainwater tanks. These tanks will help provide a buffer against changing rates of rainfall and reduce reliance on diesel-powered desalination plants (AUD 1.1 million).</li> <li>❖ Support for NAPA implementation in Samoa and improved financial management for climate change (AUD 0.9 million)</li> </ul>
<b>Fund website</b>	<a href="http://www.aidissues/climatechange/Pages/adaptation_initiative.aspx">http://www.aidissues/climatechange/Pages/adaptation_initiative.aspx</a>
<b>Contact persons</b>	<p>Mr. Sean Batten  Director  Climate Change Policy and Adaptation Section  Australian Agency for International Development (AusAID)  Email: Sean.Batten@ausaid.gov.au</p>

## Annex II: Examples of Non-Endorsed Concepts and Non-Approved Projects and Programs by the Adaptation Fund

Project Name	Proposed by	Project Objectives	Status	Reasons for request for proposal/concept reformulation
<u>Belize</u> Belize marine Conservation and Climate Adaptation Initiative (BIZ/MIE/Coastal /2011/1, USD 10,000,000)	World Bank	The Initiative intended to raise USD 100 million in order to set up a trust fund that would finance, in perpetuity, ecosystem-based adaptation measures that enhance the resilience of the critical barrier reef ecosystem.	Concept not endorsed	<ul style="list-style-type: none"> <li>• <b>Using funds from the Adaptation Fund to create a trust fund is unprecedented</b> and presents a risk. Proposal should rather emphasize the marine conservation activities of the project.</li> <li>• <b>Should clarify indicators</b> to monitor project performance.</li> <li>• <b>Not sufficient information to assess the cost effectiveness</b> of the proposed interventions, inter alia the size, scope, and area of site etc.</li> </ul>
<u>Cook Islands</u> Strengthening the Resilience of our Islands and our Communities to Climate Change (SRICCC) (COK/MIE/Multi/2 011/1, USD 5,381,600)	UNDP	Strengthen the ability of all Cook Island communities, and the public service, to make informed decisions and manage the anticipated climate change-driven pressures.	Project/ Program not approved	<ul style="list-style-type: none"> <li>• <b>Should specify that proper EIA will be undertaken</b> for each of the proposed water retention projects to avoid any risks of maladaptation.</li> <li>• <b>Need more specific information on</b> the expected economic, social and environmental benefits.</li> <li>• <b>“Low” risks should be reconsidered</b> or the rating clearly justified.</li> <li>• <b>Should provide adequate measures to mitigate each distinct risk</b>, rather than mentioning a very general mitigation measure.</li> <li>• <b>Partnerships</b> with Universities and research centers in the implementation, if any, should <b>be formalized</b>, since this will impact budget.</li> <li>• <b>Should specify the activities</b> planned for each island as much as possible.</li> </ul>
<u>Egypt</u> Preparing the Lake Nasser Region in southern Egypt as a Climate Adaptation Hub (EGY/MIE/Food/ 2011/1,USD	WFP	Develop the Lake Nasser region to serve as a receptor for climate-induced voluntary migration from other regions, as well as a hub for applied adaptation technology.	Concept not endorsed	<ul style="list-style-type: none"> <li>• <b>Should analyze other contributing factors for willingness to migrate.</b></li> <li>• Must demonstrate the direct link to climate change impacts and the lack of any viable alternatives to qualify as adaptation.</li> <li>• <b>The Adaptation Fund Board has reservations in supporting migration as an adaptation response</b> and encourages strengthening of institutional capacity to address adaptation on the national scale.</li> <li>• <b>Proposed use of funds to design a financing mechanism as the primary scale-up strategy poses uncertainty</b> for the long-term sustainability of the project.</li> <li>• <b>Alternative options should be seriously considered</b> within the design of the project.</li> </ul>

Project Name	Proposed by	Project Objectives	Status	Reasons for request for proposal/concept reformulation
8,575,892)				<p>The alternatives given in comparison with the proposed interventions are still not within the target or scope of the project and are far-fetched.</p> <ul style="list-style-type: none"> <li>• Should specify how the proposal is <b>country or community-driven</b>.</li> <li>• While creation of new assets is an important approach to adaptation, it is <b>not clear how the pilots of the proposed project are generating sufficient income to sustain livelihoods</b>.</li> </ul> <p><b>Should consider the political risk</b> of non-autonomous migration under the current circumstances in Egypt</p>
<u>Georgia</u> Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities in Georgia (GEO/MIE/DRR/2010/4, USD 5,136,500)	UNDP	Development and implementation of climate resilient flood management practices, with smaller components directed at the development of an early warning system and the introduction of a floodplain development policy.	Project/ Program not approved	<p>The proposal should:</p> <ul style="list-style-type: none"> <li>• <b>Elaborate the actual adaptation benefits</b>, as opposed to the general development benefits of the project; the benefits should be quantified to the greatest extent possible, and also explain why the described project approach was chosen instead of other possible ways of allocating similar funds.</li> <li>• <b>Analyze the viability or risks</b> related to the proposed insurance scheme, and describe where that type of scheme would draw examples from.</li> <li>• <b>Clarify the basis for “direct” beneficiaries</b> in terms of economic, agricultural, or ecosystem-based benefits.</li> <li>• <b>Quantify expected results</b> to be achieved in the 1,200 km to be covered by agroforestry, and other bioengineering measures.</li> <li>• <b>Explain how the project takes into account the previous and on-going projects</b>, as well as lessons learned.</li> <li>• <b>Provide more information on the community consultations</b> in the target regions that was used to inform the development of the project.</li> <li>• <b>Explain how long-term maintenance will be assured</b> by the government of Georgia.</li> <li>• <b>Clarify the ability</b> of the proposed coordinating executing entity.</li> </ul>
<u>Madagascar</u> Promoting Climate Resilience in the Rice Sector (MAD/MIE/Agri/2010/1, USD 4,504,920)	UNEP	Address the vulnerability of the rice sub-sector to climate variability and projected climate change by initiating the transformation of the rice subsector.	Project/ Program not approved	<ul style="list-style-type: none"> <li>• <b>Should reconsider the proposed approach to focus on a comprehensive approach</b> in which case the participation of all major stakeholders should be expanded.</li> </ul>
<u>Mali</u> Programme Support for Climate	UNDP	Increase the resilience of vulnerable communities and the	Concept not endorsed	<p>The project should:</p> <ul style="list-style-type: none"> <li>• <b>Provide more baseline information</b> on the existing capacities, initiatives and strategies that could create the enabling environment for project implementation.</li> <li>• <b>Explain how safety net measures</b> (cash for work through labor intensive enhanced</li> </ul>

<i>Project Name</i>	<i>Proposed by</i>	<i>Project Objectives</i>	<i>Status</i>	<i>Reasons for request for proposal/concept reformulation</i>
Adaptation in the vulnerable regions of Mopti and Timboubctou (MLI/MIE/Food/2011/1, USD 8,533,688)		adaptive capacity to climate change through a community driven approach.		water control measures) <b>are implemented</b> as part of the more comprehensive approach to reducing vulnerability at the local level. <ul style="list-style-type: none"> <li>• <b>Explain synergies and avoidance of duplication</b> with projects of UNEP, FAO and UNDP. Should also create synergies with World Bank projects.</li> <li>• <b>Clarified the roles of</b> the Faguibine System Development Authority (FSDA) and WFP in the project.</li> </ul>
<u>Mauritania</u> Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania (MTN/MIE/Food/2011/1, USD 9,995,145)	WFP	Increase the resilience and food security of communities to the impacts of climate change by providing information, organization, skills and means to improve the foundations on which livelihoods were based	Concept not endorsed	The proposal should: <ul style="list-style-type: none"> <li>• <b>Demonstrate the cost effectiveness and relevance</b> of the village-level approach, especially in a context of pastoral migration.</li> <li>• <b>Revise the project's budget and look for synergies</b>, especially regarding the ecosystem based adaptation measures, the training and community mobilization activities.</li> <li>• <b>Provide more information</b> on the current status of the main technical services that will be supported by the project.</li> <li>• <b>Harmonize training and awareness raising</b> in the communities at practical level, whether it is related to more general issues of climate change or individual coping mechanisms, as all of these activities aim to improve the resilience of the communities.</li> <li>• <b>Emphasize the sustainability</b> of the proposed income generating activities (IGA) and explore different approaches to that aim.</li> <li>• <b>Explain how the project will ensure institutional sustainability</b> especially at the local level.</li> <li>• <b>Describe the areas of synergy and complementarity</b> with IFD/GEF projects.</li> <li>• <b>Build on the UNDP/GEF project</b> on "Conservation of Biodiversity Through Participatory Rehabilitation of Degraded Land in Arid and SemiArid Cross-Border Zones of Mauritania and Senegal".</li> </ul>
<u>Papua New Guinea</u> Enhancing adaptive capacity of communities to climate change-related floods in North Coast and Islands Region of Papua New Guinea (PNG/MIE/DRR/2010/5, USD	UNDP	Strengthen the ability of communities in Papua New Guinea to make informed decisions about, and adapt to, climate change-driven hazards through development of early warning systems.	Project/ Program not approved	The proposal should: <ul style="list-style-type: none"> <li>• <b>Quantify the targets</b> of the mangrove related activities and provide the expected results in terms of areas reforested, or capacity of nurseries established.</li> <li>• <b>Clarify how to address the existing drivers of mangrove deforestation</b>, and how it would provide to the communities incentives for mangrove conservation.</li> <li>• <b>Streamline activities</b> to ensure they are organized logically in the components and avoid overlap.</li> <li>• <b>Provide reference on how land-use planning will be undertaken.</b> The measures and mechanisms for ensuring land-use planning should be clarified.</li> <li>• <b>Elaborate on the replacement of the small grants fund with replication within the project.</b> It is not clear when lessons learned from activities would be available for replication.</li> <li>• <b>Clarify how the project would arrange coordination</b> with the Japan Policy and</li> </ul>

Project Name	Proposed by	Project Objectives	Status	Reasons for request for proposal/concept reformulation
6,530,373				Human Resources Development and Technical Assistance (TA) programme, for which a specific coordination mechanism was mentioned earlier in the proposal and then later deleted. <ul style="list-style-type: none"> <li>• <b>Include gender considerations</b> in the results framework.</li> </ul>
<u>Samoa</u> Enhancing resilience of coastal communities of Samoa to climate change (SAM/MIE/Multi/2 011/1, USD 8,732,351)	UNDP	Strengthen the ability of Samoan communities, and the public service, to make informed decisions and manage likely climate change-driven pressures in a pro-active, integrated and strategic manner. The program be combined with the parallel complementary work undertaken the PPCR-World Bank project.	Project/ Program not approved	The proposal should: <ul style="list-style-type: none"> <li>• <b>Describe project benefits in more detail</b> the expected economic, social and environmental benefits, including benefits to biodiversity, that it would provide, with more quantitative information, to be linked with the concrete outputs of the project.</li> <li>• <b>Provide specific targets</b> related to beach replenishment and riparian and coastal planting that have already been identified as shoreline protection measures to be introduced through the project in a number of districts and villages.</li> </ul>
<u>Guatemala:</u> Climate change resilient production landscapes and socio-economic networks advanced in Guatemala (GTM/MIE/Rural/ 2010/1, USD 5,425,000)	UNDP	Increase climate resilience in production landscapes and socio-economic systems in certain targeted communities.	Project document not approved	The proposal should: <ul style="list-style-type: none"> <li>• <b>Further discuss the outputs of the existing projects</b> that would be used to inform the current project.</li> <li>• <b>Clarify coordination mechanisms</b> with other institutions where complementary projects are being implemented.</li> <li>• <b>Clarify the basis for“ direct” beneficiaries</b> in terms of economic, agricultural, or ecosystem-based benefits.</li> <li>• <b>Clarify significant uncertainty particularly with regards to the exact on-the-ground interventions that the project will support in communities.</b> Since the project includes interdependent, sequential activities for which specific interventions have not been selected, further clarification is expected on the specific activities supported by the project. The proposal should define these activities, also discussing the consequences of the activities and the required processes to address environmental, social, and technical issues that may arise.</li> <li>• <b>Revise the disbursement schedule</b> to be bound to outputs in addition to time-bound milestones.</li> </ul>

Project Name	Proposed by	Project Objectives	Status	Reasons for request for proposal/concept reformulation
<u>Madagascar:</u> Promoting climate resilience in the rice sector (MDG/MIE/Agri/2010/1, USD 4,504,920)	UNEP	Address the vulnerability of the rice sub-sector to climate variability and projected climate change.	Project concept not approved	The proposal should: <ul style="list-style-type: none"> <li>• <b>Clarify the scale and extent of reforestation activities</b> with relation to informal agreements with partners. A more holistic approach is also necessary with the management of land upland.</li> <li>• <b>Clarify how communities and farmers will be involved</b> in the sustainability of the project as related to the scale-up strategy, given that the project has been designed before community consultations took place.</li> <li>• <b>Provide a budget at the output level.</b></li> <li>• <b>Specify the nature of involvement and participatory management</b> and outline vague or general activities.</li> <li>• The argument provided for the reforestation component is weak and simple - reforestation cannot guarantee a reduction in siltation, when not complimented by community management practices; other, arguably more effective, measures such as agro-forestry have not been considered. Further, the proposed intervention does not consider the human-induced drivers of deforestation and degradation of areas in which increased vegetative cover is proposed. The proponent should further clarify and/or restructure this set of activities considering the underlying assumption that was made.</li> <li>• <b>Make clearer the link between climate change and siltation</b>, thereby linking this component to vulnerability rather than as a response to anthropogenic stressor.</li> </ul>
<u>Sri Lanka:</u> Reducing vulnerability of communities and ecosystems to the adverse impacts of climate change in critical river basins of Sri Lanka (LKA/MIE/Rural/2011/1, USD 7,982,555)	WFP	Reduce the vulnerability of communities to the adverse impacts of climate change in the most susceptible and sensitive river basin in Sri Lanka.	Concept not endorsed	<ul style="list-style-type: none"> <li>• <b>The project does not address the underlying encroachment threat adequately</b> and many of the same issues addressed by the project have been attributed to loss of forest cover due to encroachment. The degree to which underlying anthropogenic drivers of degradation will be addressed, particularly in relation to the fuel stove component, should be justified adequately.</li> <li>• <b>The proponent should clarify how benefits are shared, distributed, and have been quantified;</b> Numbers of beneficiaries are very high and the benefits, once divided, are very low per individual or household, and are intangible in many cases, or not an economic benefit.</li> <li>• <b>The elements of the proposal</b> that were directly linked to climate change, such as vulnerability mapping, were minimal in the project and the proposed interventions could not be distinguished from business-as-usual forestry rather than climate resilient interventions. The adaptation rationale of the project as responding to vulnerability should be strengthened.</li> <li>• The project makes many assumptions in regards to <b>cost effectiveness</b>. The proponent should consider that the scale of agricultural investment is low and thinly distributed, without much consideration of farming techniques, or a scale-up strategy. Further, other water conservation methodologies have not been considered. The proponent is requested to consider alternative interventions to those proposed.</li> <li>• As <b>awareness raising</b> is particularly important to compliment the proposed activities,</li> </ul>

Project Name	Proposed by	Project Objectives	Status	Reasons for request for proposal/concept reformulation
				<p>awareness raising should be included within each output and specifically delineated.</p> <ul style="list-style-type: none"> <li>The proponent should clarify both the <b>institutional arrangements</b> and that there would not be any cost implications from partnering with another Multilateral Implementing Entity.</li> </ul>
<p><u>Tanzania:</u> Implementation of concrete measures to reduce the vulnerability of livelihood and economy of coastal communities in Tanzania (TZA/MIE/Coasta I/2010/3, USD 9,814,517)</p>	(UNEP)	Respond to the impacts of sea level rise and changes in precipitation patterns caused by climate change and their direct and indirect effects.	Fully developed project document not approved	<p>The proposal should:</p> <ul style="list-style-type: none"> <li><b>Follow a strong design</b>, in which the different activities (components) and their outputs would be strongly linked to each other and contribute to the overall objective of the project, thus increasing the impact of the individual activities, and the <b>cost-effectiveness of the whole project</b>.</li> <li>Provide more specific numerical information on the baselines and targets of activities under Components 2 and 3, to enable assessing their <b>cost effectiveness</b>.</li> <li>Explain what types of current uses the ecosystems to be rehabilitated are subject to, how the proposed project might negatively impact those uses, and <b>what kind of measures would be taken to alleviate costs to communities</b> or their parts.</li> <li>Explain, whether the <b>willingness of the targeted communities</b> to restrict their use of natural resources has been secured.</li> <li>Explain <b>complementarity with the parallel projects implemented</b>, albeit mostly in different parts of the country, in the same sector and by the same organizations, both at the level of project activities, and at the level at which they contribute to the overall development of integrated coastal management in the country.</li> </ul>
<p><b>Tanzania</b> Implementation of concrete adaptation measures to reduce vulnerability of livelihood and economy of coastal and lakeshore communities in Tanzania (TZA/MIE/Coasta I/2010/3, USD 9,814,517)</p>	UNEP		Fully-developed project not approved	<p>The proposal should:</p> <ul style="list-style-type: none"> <li><b>Clarify what the expected outcome</b> of the project is, given the multiple activities therein, including the actual quantified outputs that contribute to the outcome, the adaptation challenges (baseline) they are designed to overcome, and their contribution to the project level objective. This is equally important for the ecosystem-based adaptation outcomes, for which the geographic scope and distribution are key, and for the technical works for which the technical design description is key.</li> <li>Explain the <b>synergies and linkages</b> between the activities within the project, including those between the ecosystem-based activities and the hard infrastructure activities.</li> <li>Clearly explain the <b>coordination</b> with other activities.</li> <li>Explain how <b>comprehensive stakeholder community consultations</b> have been in coverage and participation, including vulnerable groups, and how such participation is ensured during the life of the project.</li> </ul>

Source: Minutes of the 13<sup>th</sup>, 14<sup>th</sup>, and 15<sup>th</sup> Meetings of the Adaptation Fund Board ([http://www.adaptation-fund.org/meeting\\_reports](http://www.adaptation-fund.org/meeting_reports))

## Annex III: Climate Change Funds' Websites and Useful Climate Finance Tracker Sites

### Multilateral Funds

Site name	Adaptation Fund
URL	<a href="http://www.adaptation-fund.org">www.adaptation-fund.org</a>
Organization	Adaptation Fund Board Secretariat

Site name	Special Climate Change Fund (SCCF)
URL	<a href="http://www.thegef.org/gef/SCCF">www.thegef.org/gef/SCCF</a>
Organization	Global Environmental Facility (GEF)

Site name	Least Developed Countries Fund (LDCF)
URL	<a href="http://www.thegef.org/gef/LDCF">www.thegef.org/gef/LDCF</a>
Organization	GEF

Site name	Pilot Program for Climate Resilience (PPCR)
URL	<a href="http://www.climateinvestmentfunds.org/cif/ppcr">www.climateinvestmentfunds.org/cif/ppcr</a>
Organization	World Bank

### Funds Managed by a Group of Donor Governments

Site name	Global Climate Change Alliance (GCCA)
URL	<a href="http://www.gcca.eu">www.gcca.eu</a>
Organization	EU

Site name	Nordic Development Fund (NDF)
URL	<a href="http://www.ndf.fi">www.ndf.fi</a>
Organization	Nordic Development Fund

### Bilateral Funds

Site name	International Climate Initiative
URL	<a href="http://www.bmu-klimaschutzinitiative.de/en/about_the_ici">www.bmu-klimaschutzinitiative.de/en/about_the_ici</a>
Organization	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany

Site name	Japan's Fast-Start Financing
URLs	<a href="http://www.jica.go.jp/english/news/focus_on/climate/">www.jica.go.jp/english/news/focus_on/climate/</a> <a href="http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf">http://www.mofa.go.jp/policy/environment/warm/cop/pdfs/assistance-to-2012_en.pdf</a>
Organization	Japan International Cooperation Agency (JICA), Ministry of Foreign Affairs, Japan

Site name	The UK's International Climate Fund (ICF)
URL	<a href="http://www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx">www.decc.gov.uk/en/content/cms/tackling/international/icf/icf.aspx</a>
Organization	The UK Government

Site name	International Climate Change Adaptation Initiative (ICCAI)
URL	<a href="http://www.ausaid.gov.au/keyaid/adaptation_initiative.cfm">www.ausaid.gov.au/keyaid/adaptation_initiative.cfm</a>
Organization	Australian Agency for International Development (AusAID)

## Climate Finance Tracker Sites

Site name	UNFCCC Finance Portal
URL	<a href="http://unfccc.int/pls/apex/f?p=116:1">unfccc.int/pls/apex/f?p=116:1</a>
Organization	UNFCCC

Site name	Climate Finance Options
URL	<a href="http://www.climatefinanceoptions.org/cfo/">www.climatefinanceoptions.org/cfo/</a>
Organization	World Bank, UNDP

Site name	Fast Start Finance
URLs	<a href="http://www.faststartfinance.org">www.faststartfinance.org</a>
Organization	UNDP, World Bank, UNEP, UNFCCC

Site name	World Resources Institute
URLs	<a href="http://www.wri.org/publication/summary-of-developed-country-fast-start-climate-finance-pledges">www.wri.org/publication/summary-of-developed-country-fast-start-climate-finance-pledges</a>
Organization	World Resources Institute

Site name	Climate Fund Info
URL	<a href="http://www.climatefund.info">www.climatefund.info</a>
Organization	Not listed

Site name	Climate Funds Update
URL	<a href="http://www.climatefundupdate.org/listing/adaptation-fund">www.climatefundupdate.org/listing/adaptation-fund</a>
Organization	Heinrich Böll Stiftung & Overseas Development Institute

Site name	Overseas Development Institute (ODI)
URL	<a href="http://www.odi.org.uk/work/themes/details.asp?id=330&amp;title=climate-finance">www.odi.org.uk/work/themes/details.asp?id=330&amp;title=climate-finance</a>
Organization	Overseas Development Institute (ODI)

Site name	Adaptation Learning Mechanism (ALM)
URL	<a href="http://www.adaptationlearning.net/">www.adaptationlearning.net/</a>
Organization	GEF, UNDP, World Bank, UNFCCC, FAO, UNEP

Site name	The Germanwatch Adaptation Fund Project Tracker
URL	<a href="http://www.germanwatch.org/klima/afpt.htm">www.germanwatch.org/klima/afpt.htm</a>
Organization	Germanwatch

Site name	The Global Mechanism
URL	<a href="http://www.global-mechanism.org/en/adaptation-and-mitigation-funds/">www.global-mechanism.org/en/adaptation-and-mitigation-funds/</a>
Organization	United Nations Convention to Combat Desertification

Site name	Project Catalyst
URL	<a href="http://www.project-catalyst.info/focus-areas/climate-finance">www.project-catalyst.info/focus-areas/climate-finance</a>
Organization	The ClimateWorks Foundation