



ADAPTATION FUND

# ADAPTATION FUND MEDIUM-TERM STRATEGY FOR 2023 to 2027

## Accelerating effective adaptation and improving access to climate finance

NAP Expo - Chile, 28 MARCH 2023

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# Adaptation Fund at a Glance



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



Pioneer & leader on innovative 'Direct Access' & 'Enhanced Direct Access' modalities

(34 National Implementing Entities out of 57 accredited IEs)



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



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# Key points to keep in mind



**Concrete adaptation activities in the most vulnerable communities:**

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



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



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



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



**USD 20 million available per country under raised country cap**  
For single country projects, **other grants available outside of country cap**



# Country Driven Thematic areas



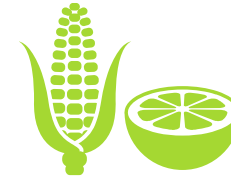
- Disaster Risk Reduction



- Nature-based solutions



- Coastal management



- Agriculture



- Water resources Management



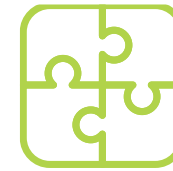
- Forests and Land Use



- Rural development



- Food Security



- Social innovation



- Urban adaptation



- Advancement of gender equality



- Enhancement of cultural heritage



- Focus on communities



- Inclusion of youth



- Innovative adaptation financing



# Tangible results

## IMPACT 1:

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



10.65 million

DIRECT BENEFICIARIES

21.17 million

INDIRECT BENEFICIARIES

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



516

EARLY WARNING SYSTEMS

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

## IMPACT 2:

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



99

POLICIES INTRODUCED OR ADJUSTED TO ADDRESS

CLIMATE CHANGE RISKS

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

## IMPACT 3:

Increased ecosystem resilience in response to climate change induced stresses



575,699 ha

HA OF NATURAL HABITATS  
CREATED, PROTECTED OR  
REHABILITATED RESTORED



162,275 m

M OF COASTLINE PROTECTED

# Medium Term Strategy 2023 to 2027



- 3 Strategic Pillars
- 6 Crosscutting Themes



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

## Mission of the Fund

Serve the Paris Agreement by accelerating effective adaptation action and effective access to finance, including through direct access, to meet the urgent needs and priorities of developing countries.

To this end, the Fund supports local adaptation projects, innovation and learning for scaling up.

### GOAL

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

### VISION

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

### MISSION

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

## OUTCOMES: STRATEGIC PILLARS

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

### CROSSCUTTING THEMES

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

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

### ACTION

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

#### EXPECTED RESULTS

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

### INNOVATION

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

#### EXPECTED RESULTS

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

### LEARNING & SHARING

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

#### EXPECTED RESULTS

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

# New strategic emphasis on promoting locally-led action

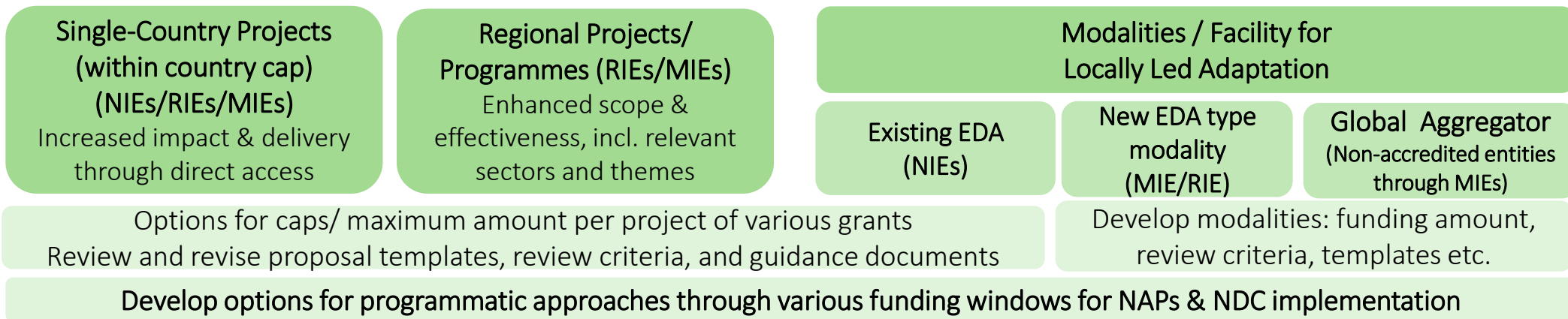
- AF was part of process for developing the **Principles for Locally Led Adaptation Action** & Board endorsed Principles for LLA in 2021
- Refers to modalities for **devolving decision making** to the lowest appropriate level:
  - “Giving local institutions and communities more direct access to finance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





# MTS-2 Delivery Methods & Activities

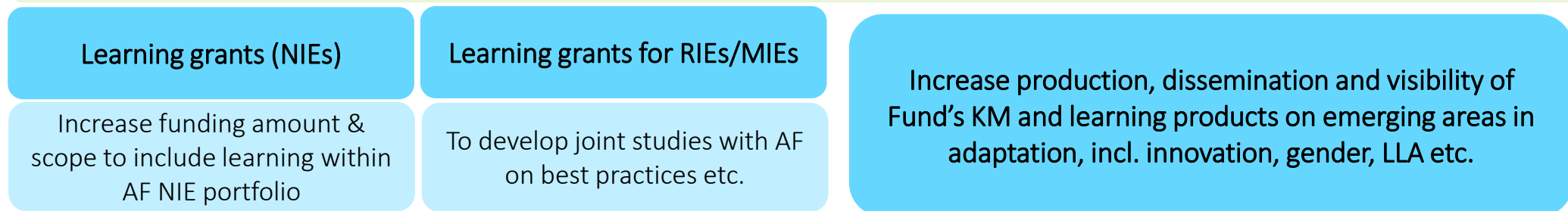
## ACTION



## INNOVATION



## LEARNING & SHARING

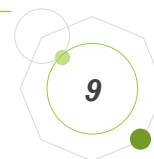


## ENHANCED READINESS PROGRAMME

Incl. Readiness Package Grants, TA Grants for ESP & GP, Project scale up grants



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# Enhanced Readiness Programme: Some proposed modalities for more comprehensive & iterative support (under development)

- Enhanced support for accreditation of 2 NIEs per country & post-accreditation institutional capacity
- Enhanced support for project development
- **Enhanced support to DAs for high-quality proposals/programmes that strengthen linkages with national adaptation processes**

## Readiness Package Grants

Increase outreach & uptake by increasing number of entities

## Technical Assistance Grants for ESP & GP

Increase to up to US\$ 50,000

## Project Formulation Grants

Increase by 50 – 100% for all project types

## Project scale up grants

Increase to up to US\$ 300,000

Options for supporting DAs through assistance provided regionally or globally



# Designated Authority / Focal Point

## Responsible for the approval on behalf of the national government of:

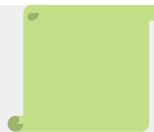
- Identifying national and regional implementing entities and supporting their applications for accreditation;
- Identification (with implementing entities) of key national adaptation projects to be developed and approval letters for submission;
- Responsible for monitoring the project/programme during its implementation

1. The Designated Authority coordinates the identification of key national adaptation projects to be developed and selects the Implementing Entity:  
**National; Regional or Multilateral**



2. Implementing entities should use **the project proposal documents** (including the instructions and template for preparing a project/programme funding application) - available at

<https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/>



3. Project/programme proposals (and **letters of approval signed by the DA**) are **submitted by the implementing entities** to the LBS Secretariat, the DA must be copied.



4. Implementing entities may submit proposals **at any time**, which will be discussed at the biannual meetings of the Board of Directors.





# Enhanced Complementarity & Coherence with Other Climate Funds

## Strategic engagement at Funds' secretariat and Board levels

- Joint Climate Funds Annual Dialogues & Roadmap (between AF/GCF/GEF/CIF)
- Continuous engagement among the Funds on operational matters including project portfolio, collaboration platform on results management and reporting frameworks, support for resilient COVID-19 recovery, KM & communications, and scaling up projects

## AF/GEF secretariat collaboration on portfolio development matters

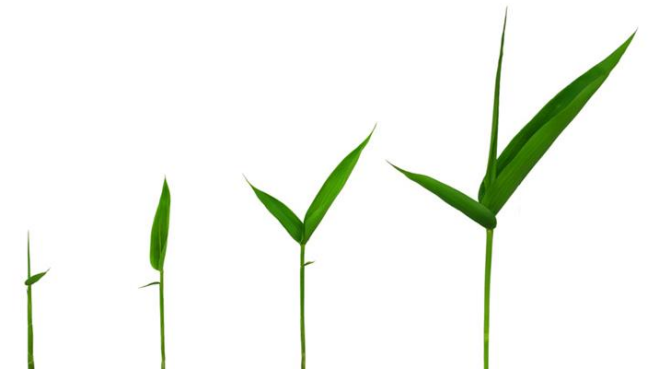
- GEF staff cross-support for AF portfolio quality at entry - GEF staff co-review of AF projects
- Synergies in implementing complementary projects (Honduras, Samoa, Tanzania) & projects that build on earlier GEF experiences (Antigua and Barbuda, Turkmenistan)
- Joint activities and events at COPs to share knowledge on best practices

## AF/GCF collaboration to enhance climate finance access

- **Accreditation:** AF and GCF fast-track accreditation and Re-accreditation (26 GCF IEs FTed by AF ; 32 AF IEs FTed by GCF)
- **Direct Access:** Joint support to Community of Practice of Direct Access Entities (CPDAE)
- **Project scale up:** Pilot of Scaling-Up Approach between the AF and the GCF (nearly 10 projects so far)

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

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



# For further information



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Helping developing countries build resilience and adapt to climate change



Medium-Term Strategy  
2023-2027

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

## Overview of available funding opportunities & relevant links on AF website



### Adaptation Fund Funding Windows

	FUNDING TYPE	Accredited Entity Type	Maximum Funding Amount per Project/Program	How to Apply	Learning Resources
<b>ACTION</b> Action grants support eligible countries to develop adaptation projects/programmes consistent with their priority needs, goals and strategies.	<b>Single Country:</b> For addressing climate change impacts in one country through tangible outcomes	NIE, RIE, MIE	USD 10 Million per Project/Programme*	Apply <a href="#">here</a> for grant funding or technical assistance	<a href="#">Ecourse</a> , <a href="#">Direct Access</a> , <a href="#">Unlocking Adaptation Funding &amp; Community of Practice for Direct Access Entities</a>
	<b>Regional:</b> For addressing climate change impacts in 2+ countries in the same United Nations region, or adjacent regions, through tangible outcomes	RIE, MIE	USD 14 Million per Project/Programme (excluding the PFG)**	Apply <a href="#">here</a> for grant funding or technical assistance	<a href="#">Ecourse</a> , <a href="#">Direct Access</a> , <a href="#">Unlocking Adaptation Funding</a>
	<b>Enhanced Direct Access:</b> Supports bottom-up approaches through local knowledge and locally led action. Project selection occurs at national/sub-national levels.	NIE	USD 5 Million per Project/Programme (including the PFG)	Apply <a href="#">here</a> for grant funding or technical assistance	<a href="#">EDA guidance document</a>
	<b>Project Scale Ups:</b> Supports planning, design and overall capacity to develop scale-up pathways for AF funded projects nearing completion or already completed	NIE	USD 100,000 per Project/Programme	Apply <a href="#">here</a>	<a href="#">Etraining</a> , <a href="#">Scale-Up Grants</a>
<b>INNOVATION</b> Innovation grants support countries to develop, test and diffuse innovative adaptation practices, tools and technologies.	<b>Small (single country):</b> To accelerate development of innovative practices, tools and technologies and demonstrate best practices for scale-up	NIE	USD 250,000 per Project/Programme	Apply <a href="#">here</a>	<a href="#">Etraining</a> , <a href="#">Innovation Small Grants</a>
	<b>Large (single country or regional):</b> To roll out or scale-up successful innovative practices, tools and technologies to a new country or at regional scale, involving 2+ countries/regions	NIE, MIE, RIE***	USD 5 Million per Project/Programme	Apply <a href="#">here</a>	Innovation large grants guidance documents available <a href="#">here</a>
	<b>Adaptation Fund Climate Innovation Accelerator:</b> Administered by UNDP & UNEP/CTCN to accelerate the development of innovative practices, tools and technologies and demonstrate best practices for scale-up	Non-accredited****	USD 250,000 per Project/Programme	Apply <a href="#">here</a> for grant funding	<a href="#">UNDP</a> , <a href="#">UNEP/CTCN</a>
<b>LEARNING &amp; SHARING</b>	<b>Learning Grants:</b> support the generation and dissemination of practical knowledge about effective adaptation activities and financing modalities to actors around the world	NIE	USD 150,000 per Project/Programme	Apply <a href="#">here</a> for grant funding	<a href="#">Etraining</a> , <a href="#">Learning Grants</a>
<b>READINESS</b> Readiness grants enable NIEs to seek accreditation with the fund and build capacity for undertaking various climate finance readiness activities.	<b>Readiness Support Package Grant:</b> Facilitate the delivery of more enhanced, targeted and tailored readiness support for accreditation to developing countries	NIE	USD 150,000 per NIE	Apply <a href="#">here</a>	<a href="#">Website</a> , <a href="#">Readiness</a>
	<b>Technical Assistance Grant for the Environmental and Social Policy and Gender Policy:</b> For NIEs to strengthen capacity to address environmental and social risks as well as gender related issues in their projects and programs	NIE	USD 25,000 per NIE	Apply <a href="#">here</a>	<a href="#">Ecourse</a> , <a href="#">Direct Access</a> , <a href="#">Unlocking Adaptation Funding</a>
	<b>Technical Assistance Grant for the Gender Policy:</b> For NIEs with robust environmental and social policies to enhance measures to avoid, minimize and/or mitigate adverse gender impacts	NIE	USD 10,000 per NIE	Apply <a href="#">here</a>	<a href="#">Ecourse</a> , <a href="#">Direct Access</a> , <a href="#">Unlocking Adaptation Funding</a>

Notes:  
\*NIEs applying for single country projects through 2-step submission process (concept note, fully-developed proposal) with concept note can request a [Project Formulation Grant \(PFG\)](#) up to USD 50,000 in addition to the USD 10 million grant.  
\*\*RIEs and MIEs applying for regional projects (2+ countries) through the 3-step submission process (pre-concept note, concept note, fully-developed proposal) can request a PFG up to USD 20,000 with a pre-concept note and with a concept note a PFG up to USD 80,000. Those using the 2-step submission process (concept note, fully-developed proposal) can ask for PFG up to USD 100,000 with the concept note.  
\*\*\*For NIEs submitting proposals for large innovation grants, there is an opportunity to request a PFG of up to USD 50,000 per project. For a project for which PFG funding is sought, the total amount of funding inclusive of PFG cannot exceed USD 5 million. RIEs and MIEs submitting concept notes for large innovation grants for regional projects can request a PFG of up to USD 20,000. All PFGs can apply to single country innovation large grants and MIE and RIEs only can apply to regional innovation large grants.  
\*\*\*\*Open to wide range of applicants, including local governments, NGOs, young entrepreneurs, the private sector and others.



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# E-Learning Courses on Accessing Adaptation Finance

<https://www.adaptation-fund.org/knowledge-learning/knowledge-products/af-produced-knowledge-products/?type=e-courses>

- Direct Access: Unlocking Adaptation Funding
- Adaptation Fund Innovation Small Grants Training
- Adaptation Scale up Grants Training
- Adaptation Fund Learning Grants Training

All E-Learning courses are available in English, Spanish and French!





Thank you!

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🌐 [www.adaptation-fund.org](http://www.adaptation-fund.org)



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