

INTERNATIONAL FINANCING FOR CLIMATE CHANGE ADAPTATION

CAREC Workshop

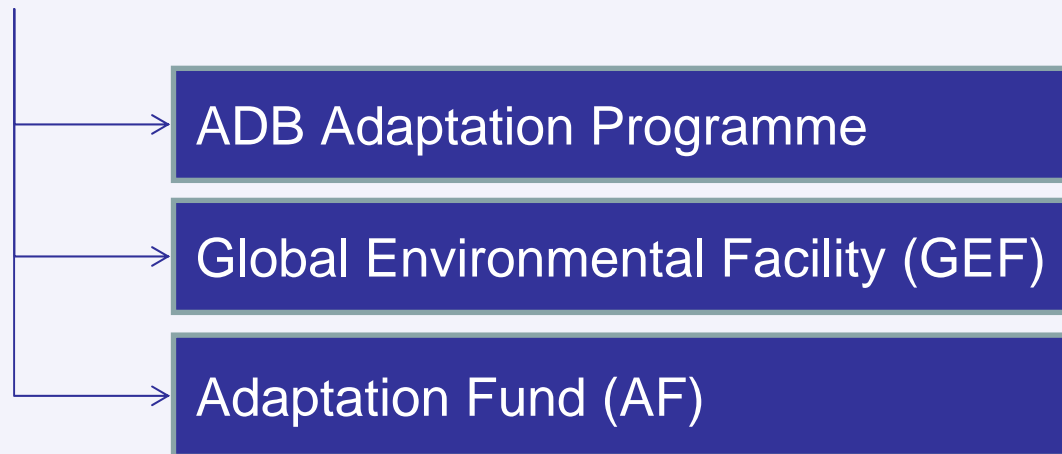
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Overview

1. CURRENT OPPORTUNITIES

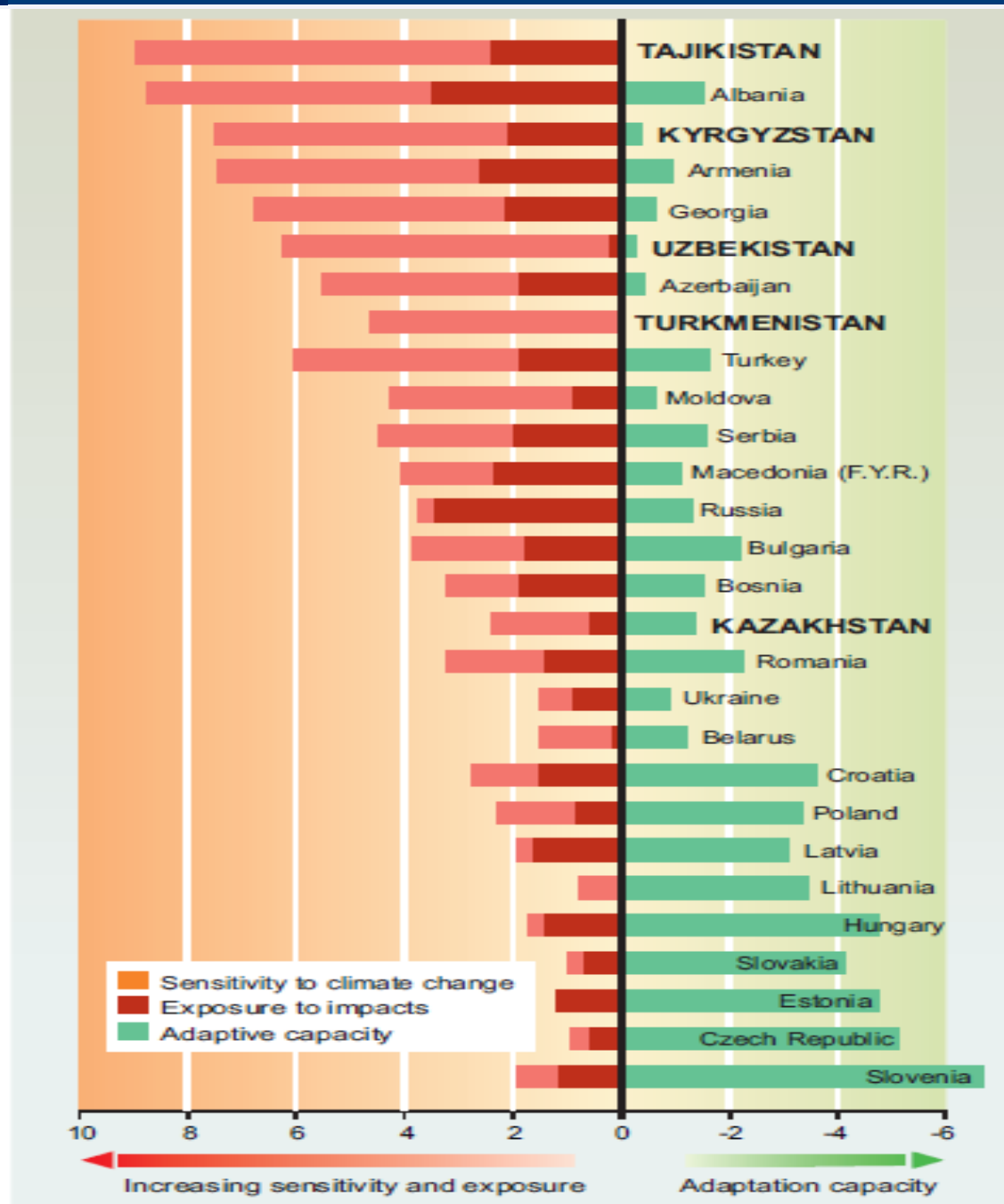


2. POTENTIAL OPPORTUNITIES



3. FUTURE OPPORTUNITIES





How
vulnerable are
you?

ADB Adaptation Programme

- National Adaptation Planning
 - Mainstreaming adaptation in development planning
- Project-level climate proofing
 - climate proofing of existing and future projects
- Specific adaptation investments
 - Stand-alone investments aimed at increasing climate resilience

ADB Adaptation Funds

Climate Change Fund

(\$40 m, both mitigation and adaptation)

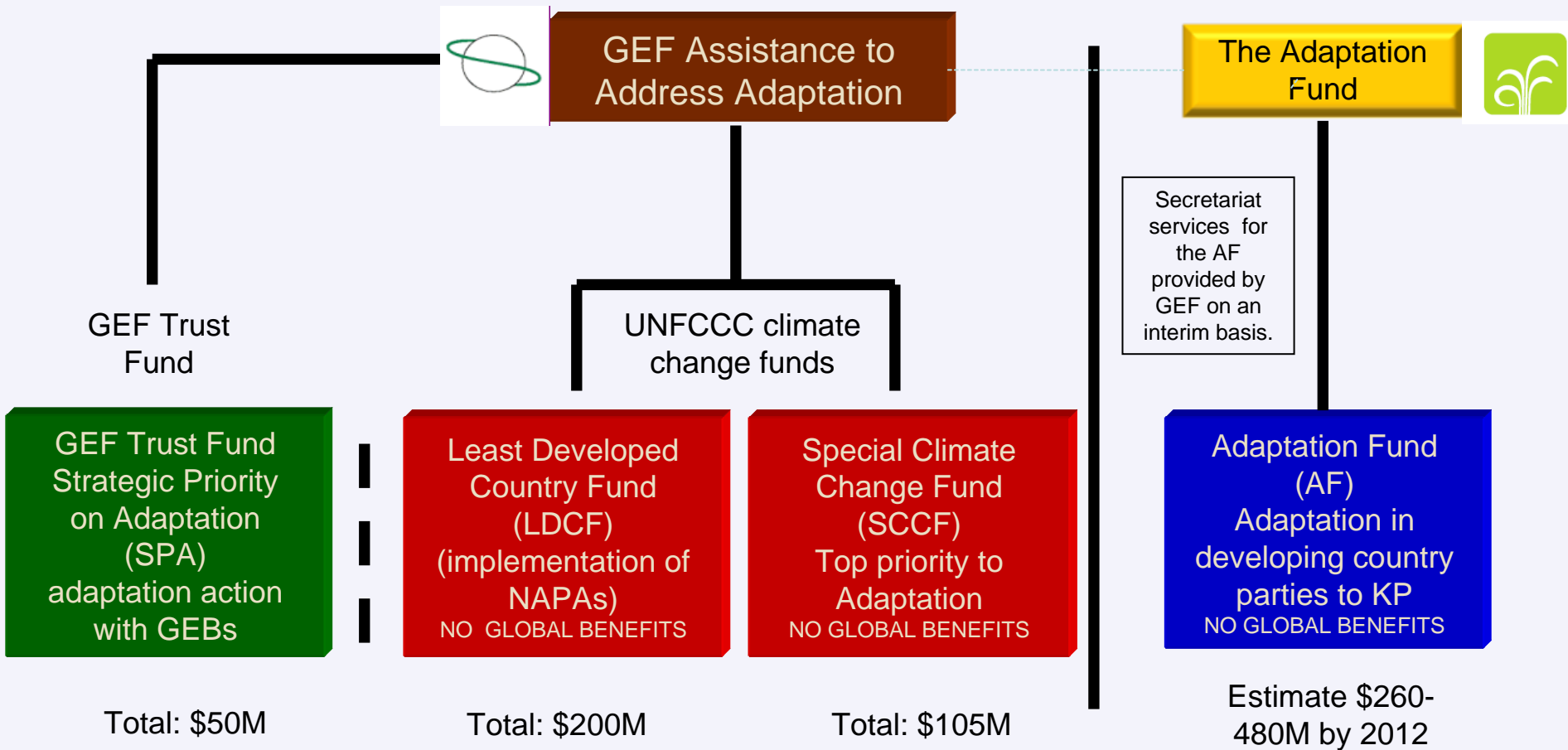
Small Grants for Promoting Climate Change Adaptation

(\$1.2 m)

Water Financing Partnership Facility

(\$65 m, including adaptation)

GEF and the Adaptation Fund



The Global Environmental Facility



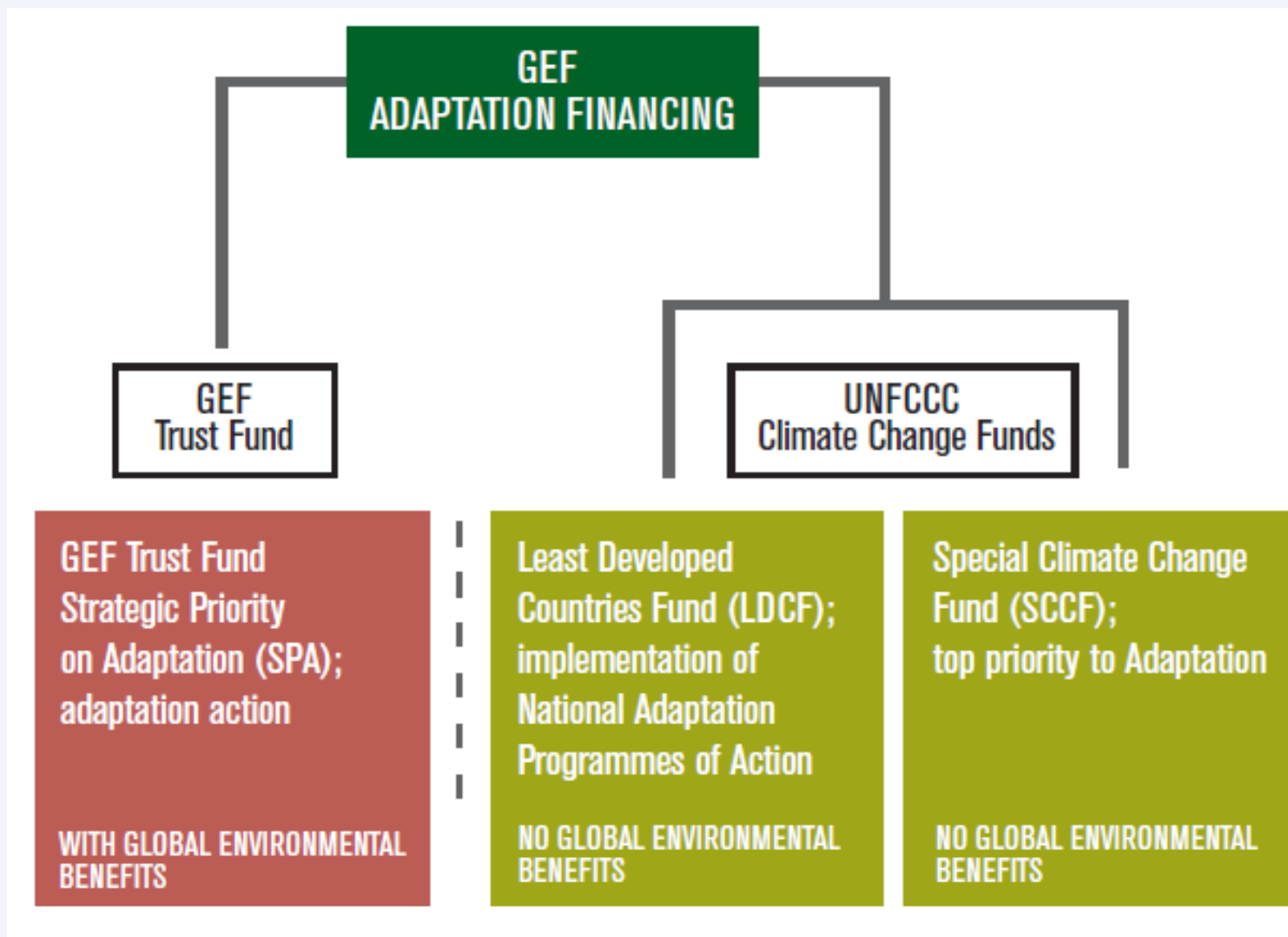
- The largest and leading multilateral funder on global environment
- \$9 billion grant for 2600 projects in 165 countries
- \$40 billion in co-financing leveraged
- 181 countries working in partnership with:
 - international institutions
 - non-governmental organizations (NGOs)
 - private sector

GEF5 Fund Allocation



Focal Area/Theme/ Corporate Programs	GEF-5 Allocation (million USD)
Biodiversity	1,200
Climate Change	1,350
International Waters	420
Land Degradation	400
Chemicals	420
Corporate Programs	210
Corporate Budget	120
Outreach to Private Sector	80
TOTAL	4,200

GEF 5 funds for adaptation

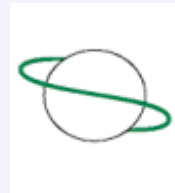




GEF5 Priority Sectors

<p>LDCF (GEF as administrator) (\$189 m)</p>	<p>Food Security and Agriculture Water Resources Management Disaster Risk Management Community Based Adaptation Natural Resources Management Health Infrastructure</p>
<p>SCCF (GEF as administrator) (adaptation priority, target \$75 m;</p>	<p>Water Resources Management Agriculture/Land Management Infrastructure Development Fragile Ecosystems Integrated Coastal Zone Management Health Disaster Risk Management Cross Cutting Issues</p>

GEF Enabling Activities



- **National Communications(NCs)**
 - Starting point for formulating projects –V&A priorities and climate change rationale
- **National Capacity Self-Assessments**
 - Starting point for project formulation

How to apply for G5

1. Develop project and program identification (Voluntary National Portfolio Identification Exercises)
2. Work with a GEF Agency to prepare a project concept paper (PIF)
3. Endorsement of concept by Country GEF focal Point
4. Submit for approval of concept by GEF Council
5. Prepare full project design (PPG available)
6. Submit for final approval by the GEF and Agency

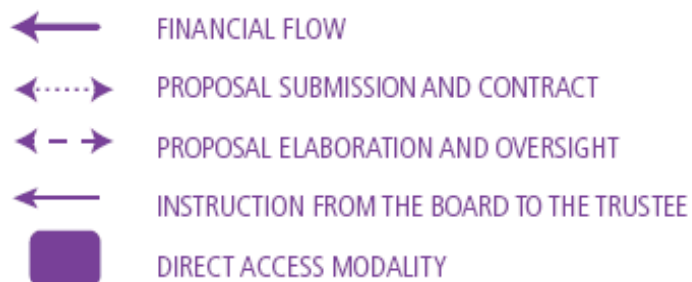
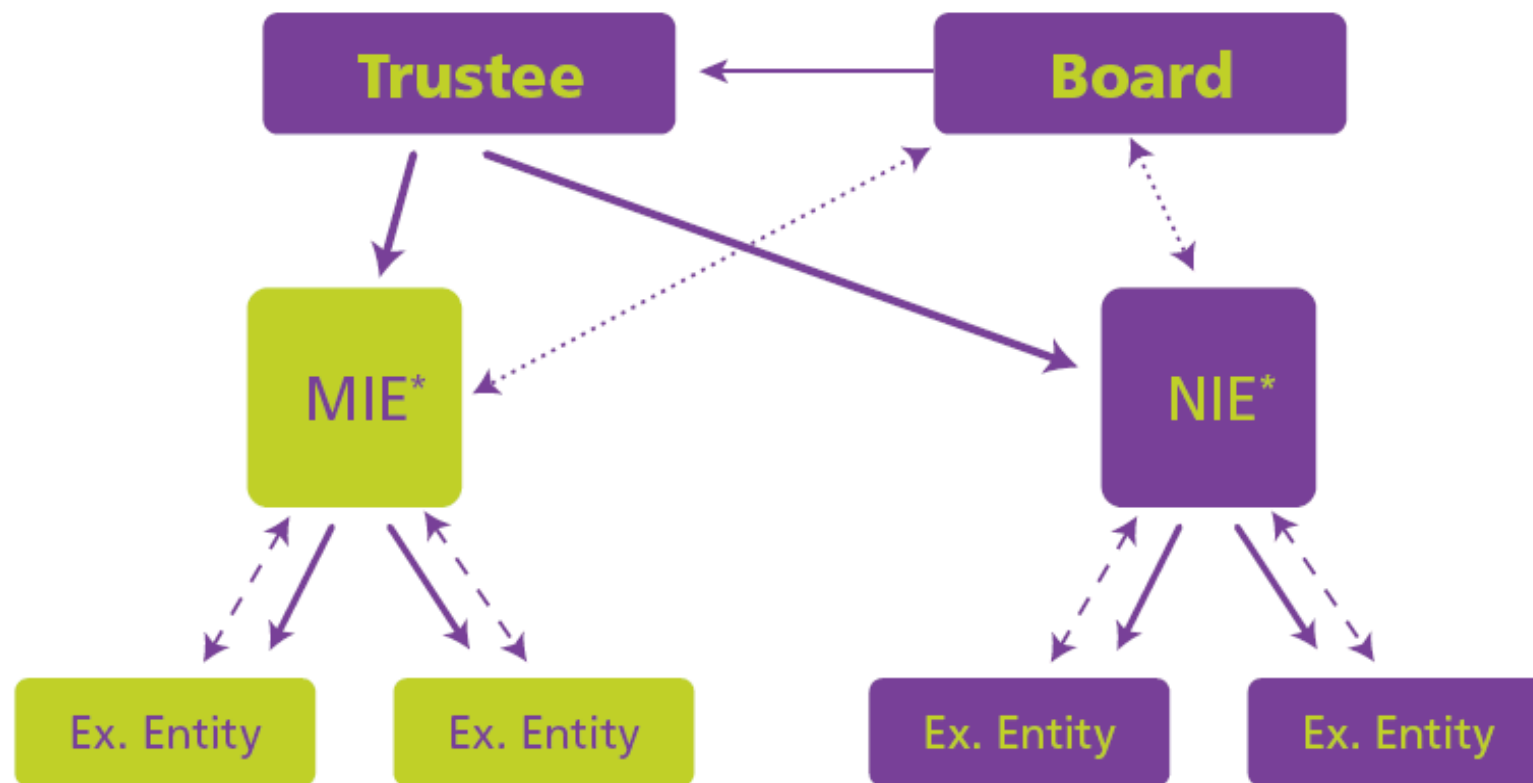
Adaptation Fund



- To finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol
- Direct access for eligible countries
- Financed with international levy and other sources
- Now fully operational (four proposals approved last June)



Modalities



* A Party nominates a National Implementing Entity or it may also nominate a Multilateral entity.



AFB Project Cycle

Screening for consistency and technical review by the secretariat

B

Submission of the project or programme to the AFB secretariat using templates approved by the AFB

A

Review by the Project and Programme Review Committee. Can use services of independent experts

C

Decision-making by the AFB

D

Contracting by the AFB. Disbursement of funds by the Trustee upon written instruction by the AFB.

E

Project implementation and monitoring by the Implementing Entity

F

ALL PROJECTS: ANNUAL STATUS REPORTS AND TERMINAL EVALUATION REPORTS





Funding Principles

- Funding provided on full adaptation costs basis of projects and programmes to address the adverse effects of climate change
- AF will finance projects whose principal and explicit aim is to adapt and increase climate resilience
- AFB has not prescribed sectors or approaches: *accommodating different country circumstances*



Evaluation Criteria

- Consistency with national sustainable development strategies
- Economic, social and environmental benefits
- Meeting national technical standards
- Cost-effectiveness
- Arrangements for management, financial and risk management, M&E, impact assessment
- Avoiding duplication with other funding sources for adaptation
- Moving towards programmatic approach

The Climate Investment Funds

- Adaptation covered in the Pilot Programme for Climate Resilience
- Total allocation over \$900 M
- Country-driven approach
- 9 pilot countries, 2 regional
- Tajikistan as the pilot in Central Asia

Emerging Financing Architecture

- New and additional resources to support actions on mitigation and adaptation in developing countries
- US\$30 billion from now to 2012 in short-term finance to kick-start climate action
- Longer term financing of US\$100bn a year from 2020 onwards

Thank you

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NIE and MIE requirements

1. Meet the fiduciary standards established by the AFB:
 - Financial management and integrity
 - Institutional capacity
 - Transparency, self-investigative powers and anti-corruption measures
2. Bear full responsibility for the overall management of the projects and programmes; and
3. Carry out financial, monitoring and reporting responsibilities.

Fiduciary standards (1)



- Financial Integrity and Management
 - Accurate and regular recording of transactions and balances, audited periodically by an independent firm or organization
 - Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis
 - Produce forward-looking plans and budgets
 - Legal status to contract with the AF and third parties

Fiduciary Standards (2)



- Institutional Capacity
 - Procurement procedures which provide for transparent practices, including on competition
 - Capacity to undertake monitoring and evaluation
 - Ability to identify, develop and appraise project
 - Competence to manage or oversee the execution of the project/programme including ability to manage sub-recipients and support delivery and implementation
- Transparency and Self-Investigative Powers
 - Competence to deal with financial mismanagement and others forms of malpractice

Accreditation Process (1)



- *Step 0:* The government endorses a Designated Authority and the Implementing Entity
 - DA must endorse all IE 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.

Accreditation Process (2)



- *Step 3:* Panel can request additional information/clarification from organization.
 - Might suggest to Board that an on-site visit and /or observation of an organization 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:* Accreditation Panel makes recommendation to AF Board.
- *Step 5:* AF Board makes final decision on accreditation of entity