

Accessing Adaptation Finance for Nature-based Solutions under the Adaptation Fund



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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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Medium Term Strategy 2023 to 2027

- 3 Strategic Pillars
- 6 Crosscutting Themes



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



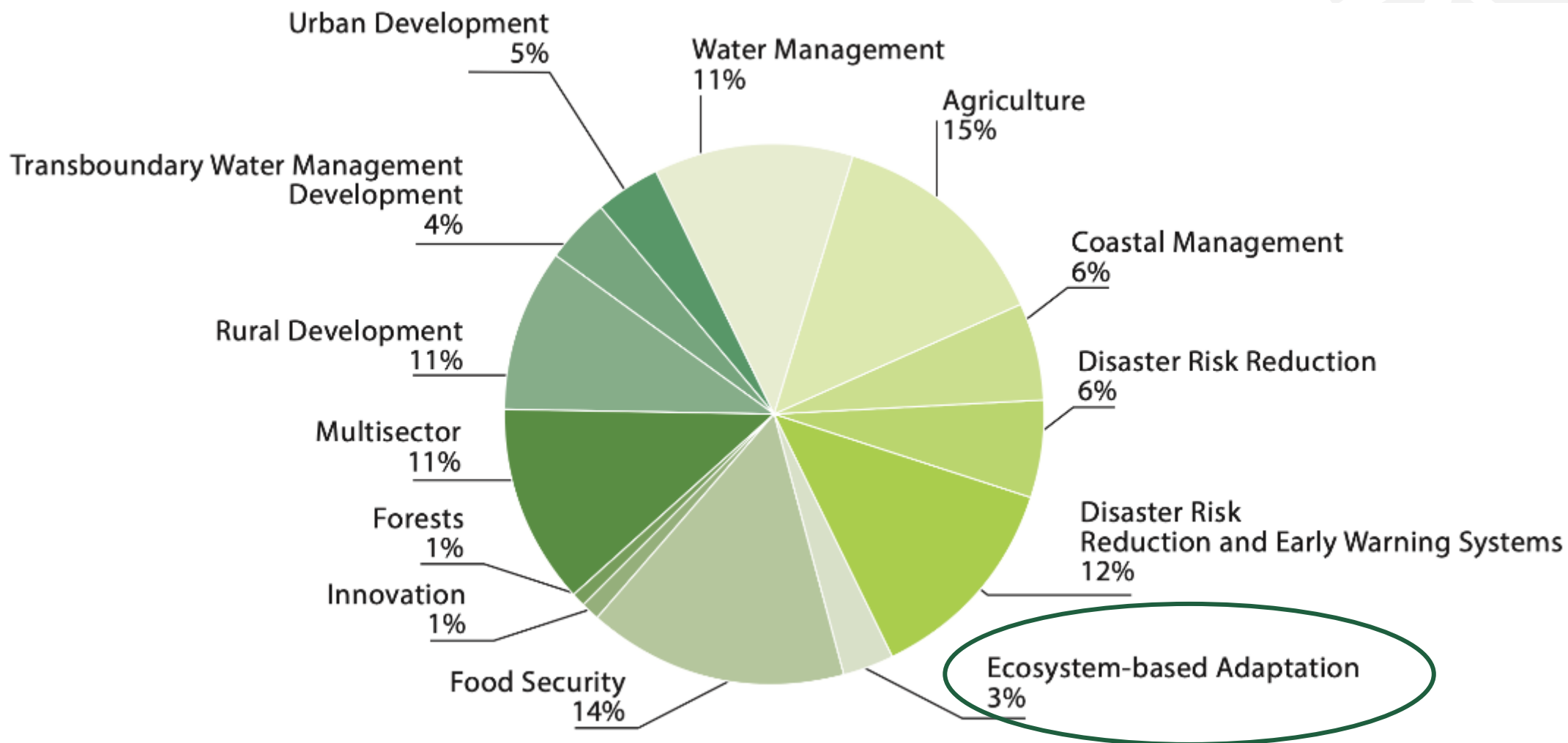
50% of portfolio for Direct Access:
Total allocation for projects/programmes submitted by MIEs cannot exceed 50% of cumulative resources

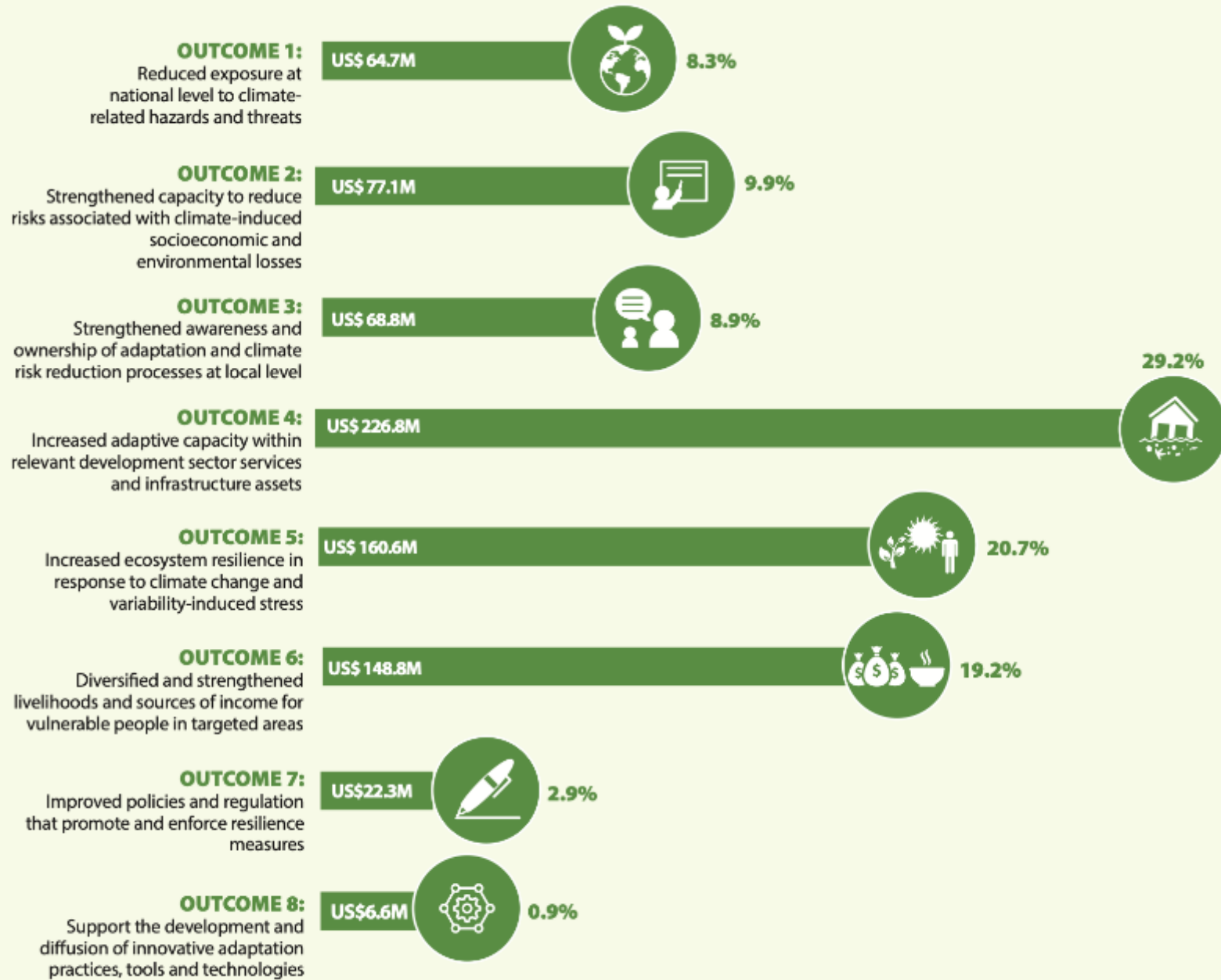


USD 20 million available per country under raised country cap
For single country projects, **other grants available outside of country cap**



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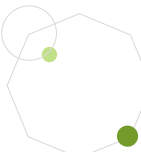
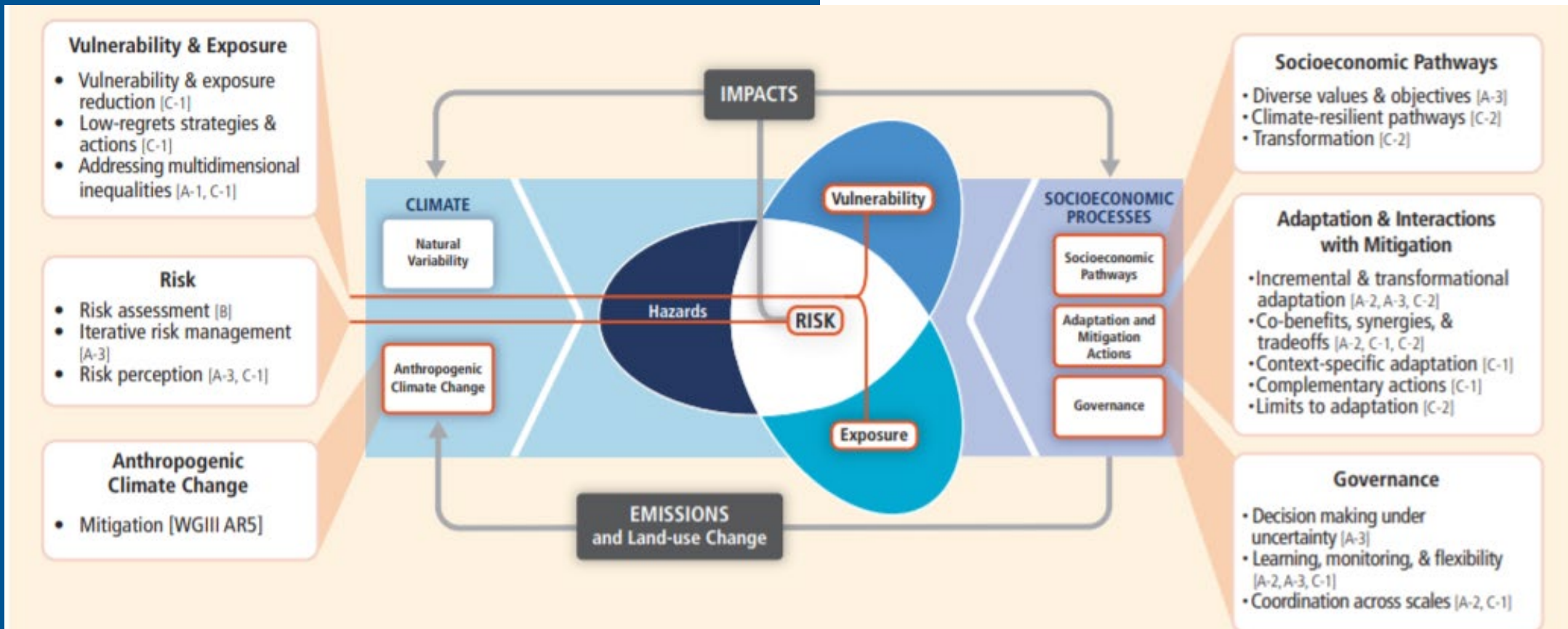


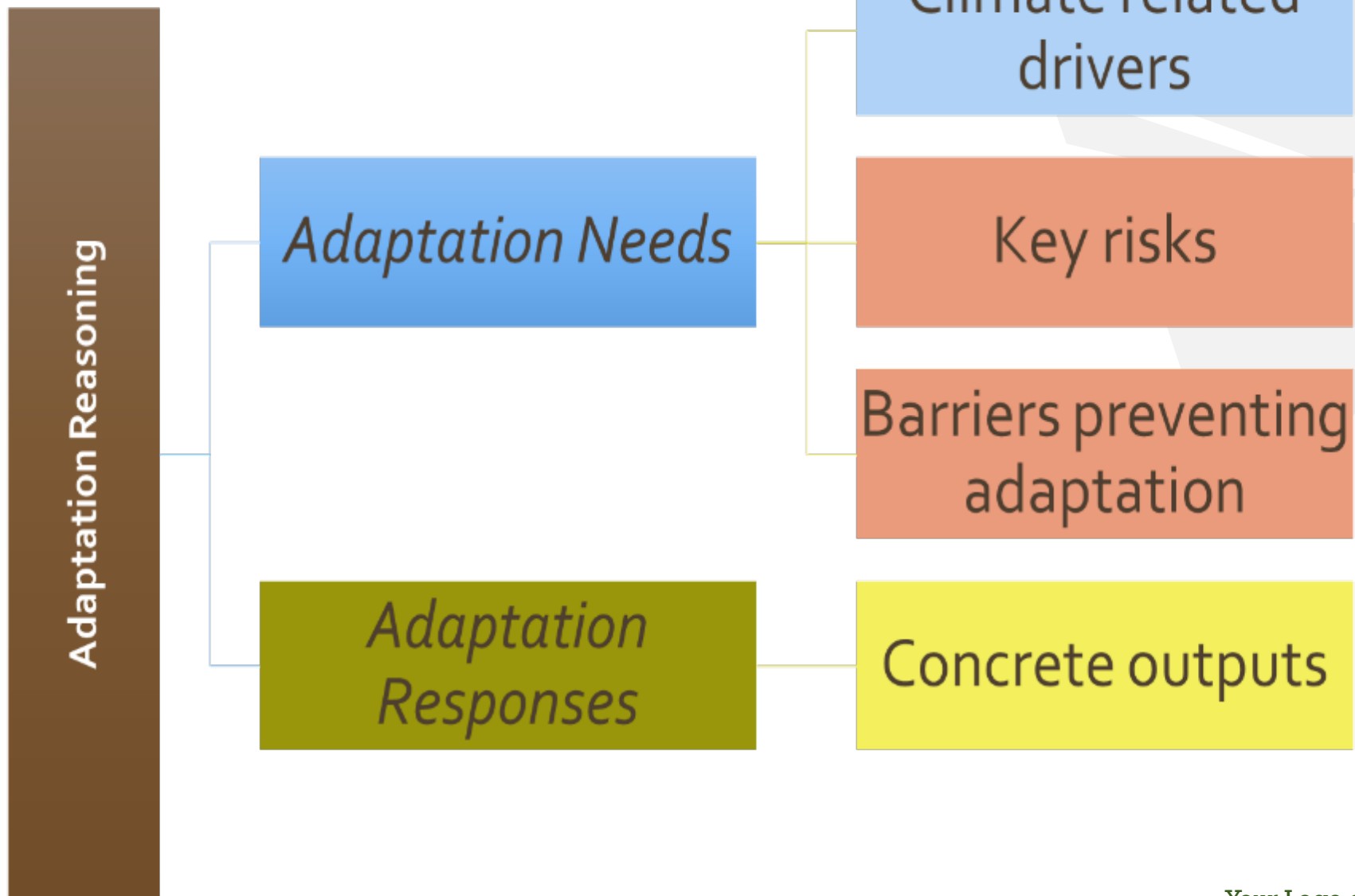


- The Adaptation Fund's strategic focus on people, livelihoods, and ecosystems is well aligned with the NbS approach and UNEA agreed definition
- AF funded projects employ a range of NbS to enhance human resilience to climate change through the conservation of ecosystems and use of nature's services.
- The Fund's results framework enables projects to set measurable and time-bound targets and indicators, while its Environmental and Social and Gender policies ensure that projects and programs adhere to social and environmental safeguards and deliver economic, social and environmental benefits to target communities.
- This makes NbS activities funded by the AF in line with the NbS criteria and standards being set (including the global Standard for NbS by IUCN)

Source: Planning nature-based solutions: Principles, steps, and insights - DOI: [10.1007/s13280-020-01365-1](https://doi.org/10.1007/s13280-020-01365-1)

Source: IPCC 2015a





Criteria / Project “Bankability”

1. The adaptation rationale- the activities chosen will resolve the problem.
2. Maladaptation ruled out
3. The objectives have to be aligned with the Adaptation Fund Results Framework and specified at outcome level.
4. Describe how the project / programme provides economic, social and environmental benefits:
 - estimated benefits will have to be quantified, whenever possible
5. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme:
 - logical explanation of the selected scope and approach
 - cost effectiveness demonstrated from a sustainability point of view: alternative options, quantitative estimates of cost-effectiveness are required only where feasible and useful.
6. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.
 - taken solely, without additional funding from other donors, they will help achieve these objectives (under review)
7. Sustainability;



Burundi, Kenya, Rwanda, Tanzania, Uganda: Adapting to Climate Change in Lake Victoria Basin

Project Amount: US\$5,000,000

UNEP

- Project aims to build resilience to climate change through the transfer and implementation of adaptation technologies and the improvement of adaptation knowledge
- CC impacts in each of these communities were identified, Community Climate Change Adaptation Assessment (C3A2) toolkit developed through the USAID Planning for Resilience in East Africa
- diverse set of EbA approaches to control soil erosion and improve water quality, ecosystem restoration, conservation of woodland and wetland habitats
 - introduced climate-smart agriculture; planting of drought tolerant crops, providing farming equipment and training local communities
 - home gardens and agroforestry practices; stabilizing soil erosion and diversifying livelihoods
 - innovative community-based projects through a small-grants modality (<\$US50,000)
- 240 hectares of agricultural land rehabilitated through EbA practices.



The project was implemented in two Provinces of Burundi (blue), one District in Rwanda (red), one district in Tanzania (yellow), two counties in Kenya (green), and two districts in Uganda (black).



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India: Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise

Project Amount: US\$689,264

NABARD

- Project aims to increase resilience to climate change impacts of the coastal communities by restoring the degraded mangrove system to reduce sea water intrusion and prevent flooding from storm surges
- Integrated Mangrove Fishery Farming System (IMFFS) approach;
 - modifying rectangular pond areas previously used for shrimp
 - planting mangroves and other salt tolerant vegetation on top
 - provide nutrients for the shrimp and crab aquaculture systems inside the ponds
 - stabilize the soils
- Villages select landless, assetless, woman-led households who are willing to take up the cage cultures
- The project supports the creation of 'micro plans' prepared by the community members
→ community members to participate in restoration activities.
- Over 200 ha of mangroves restored and over 400,000 saplings planted; 50 ha of IMFFS farms developed; community is culturing high-value fish and shellfish



Community prepares degraded area for mangrove planting in Andhra Pradesh.



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Mauritius and Seychelles: Restoring marine ecosystem services by rehabilitating coral reefs to meet a changing climate future

Project Amount: \$US10,000,000

UNDP

- Project aims to enhance food security and resilience against natural disasters by implementing coral reef restoration with thermal tolerant corals as adaptation to climate change
- The restoration of degraded reefs will increase coral cover and help restore fish habitats and spawning/nursery sites
- Resilient corals will be propagated in the ocean nurseries, and eventually get transplanted to the reefs under restoration
- Restoration activities will be carried out by coastal communities and local NGOs; involvement of tourism enterprises (hotels, dive centers, boat operators)
- **Corporate Social Responsibility (CSR), PES opportunities to leverage funding**
- **The introduction or movement of species is a key consideration when upscaling NbS** → environmental safeguard measures to ensure that there will be no introduction of known invasive species into the MPAs.



Attaching coral to reef on Cousin Island in Seychelles. Photo By Paul Anstey.



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Cuba: Reduction of vulnerability to coastal flooding through EbA in the south of Artemisa and Mayabeque provinces - MANGLAR VIVO

Project Amount: \$US6,000,000 - UNDP

- Project aimed to reduce impacts of coastal flooding through recovery of coastal ecosystems and forests – mostly mangrove
- The project's true effects will take time (mangroves take 10-15 years to mature), but already resulted in emerging protective benefits against flooding and reduced erosion and saltwater intrusion rates.
- Novel methodologies for economic valuation of wetland goods and services, as a tool in management and decision making.
- Project scaled up NBS through GCF - aiming to restore 11,000 ha of mangroves, 9,000 ha of sea grass and 134 kilometers of coral reefs, to benefit 1.3 million people in 24 municipalities in Cuba.



BY THE NUMBERS

21,500

DIRECT BENEFICIARIES
FROM REDUCED
COASTAL FLOODING
(AT LEAST 45% WOMEN)

1,440

HA OF MANGROVE
ECOSYSTEM RESTORED
BETWEEN MAJANA
AND SURGIDERO DE
BATABANÓ

270,000

INDIRECT BENEFICIARIES FROM REDUCED
IMPACTS OF CLIMATE CHANGE-RELATED IMPACTS ON
ECONOMIC ACTIVITIES (AT LEAST 45% WOMEN)

1,563

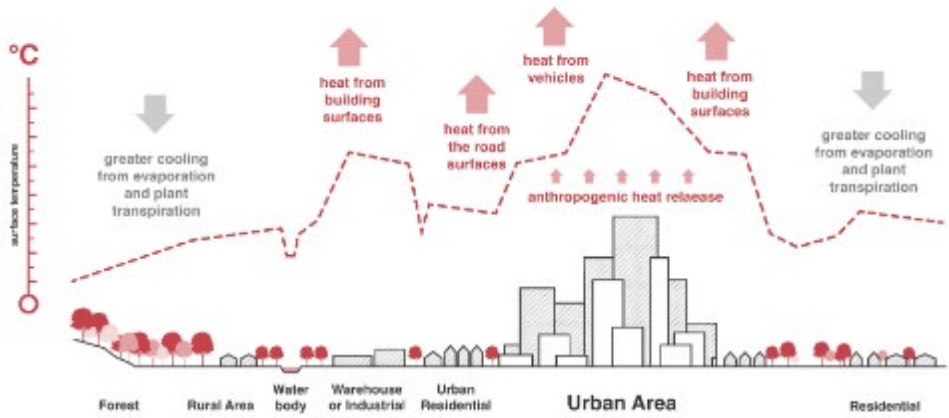
HA OF RED MANGROVE ESTABLISHED
ALONG SEASHORE BETWEEN
BATABANÓ AND PUNTA MORA



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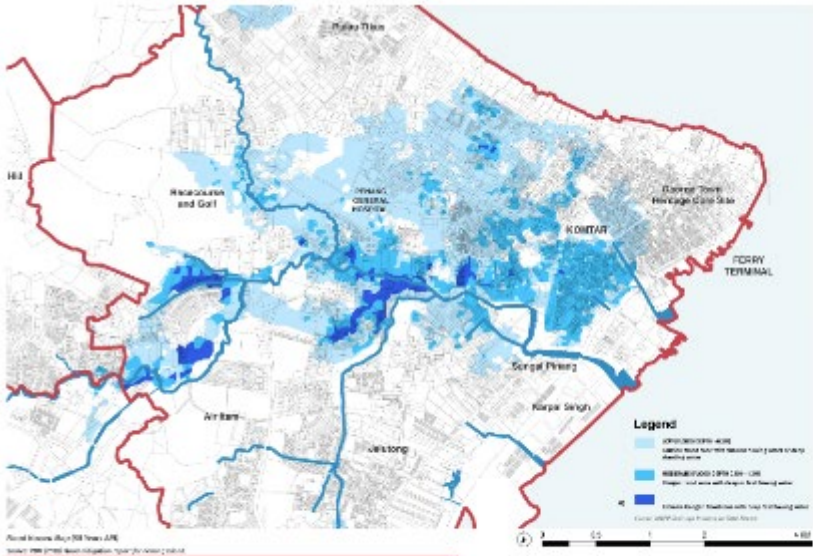
Nature-based Climate Adaptation Programme for the Urban Areas of Penang Island

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



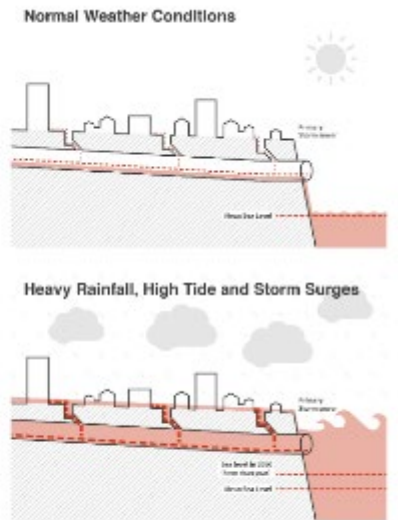
The urban heat island effect is related to urban areas having much warmer temperatures than nearby rural or natural areas. The difference in temperature between urban and less developed rural areas has to do with heat absorption of hard surfaces

Urban Heat



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

Urban Flood



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

Project outline

programme components

Component 1:



Urban greening

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

Component 2:



Stormwater management

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

Component 3:



Social resilience

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

Component 4:



Institutional capacity

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

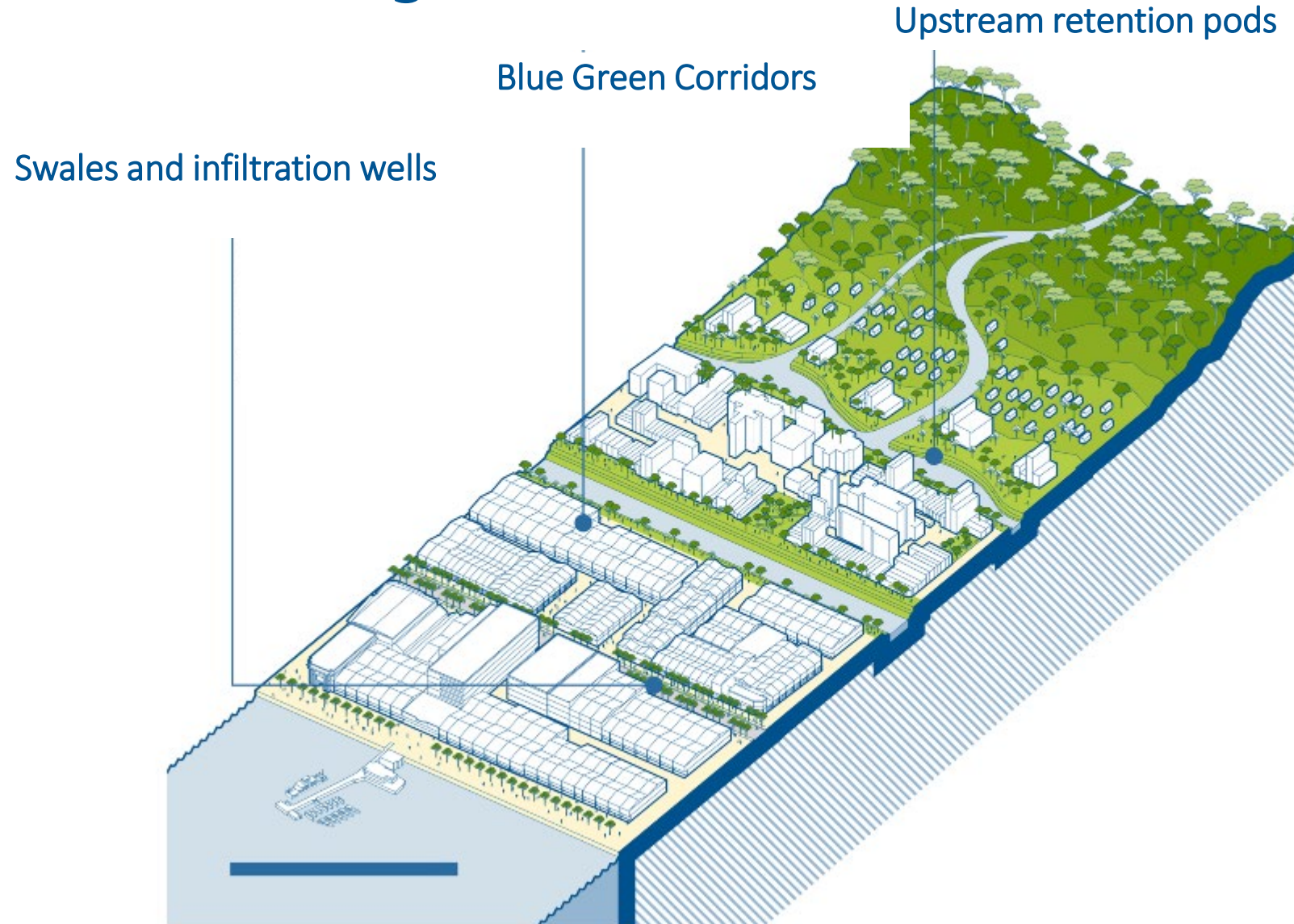
programme objectives

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

The projects aims to benefit 343,739 directly and 311,257 indirectly.

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

Storm water management



Climate Resilient Streets' Trees: Opportunities and Challenges

Speed of growth

trees planted in paved locations should have a moderate speed of growth so that the root system has time to develop together with the canopy

Size of canopy

must be appropriate for the scale of the street or specific location

Shape of canopy

must be appropriate for the scale of the street or specific location

Type of leaf

should be appropriate for the location and able to provide good shade

Type and size of fruit

in intensive use such as sidewalks and parking spaces it be planted with species with fruits which can stain it and property

Allergies' inducing species

species which may induce allergies must not be planted in areas used by people

Prone to major limb tear

species prone to major limb tear should not be planted in areas with intensive use

Prone to developing pests

species prone to developing pests should not be planted in areas with intensive use

Native / exotic species

native species should be privileged over exotic ones

Maintenance level required

species requiring high levels of maintenance should not be planted in areas with intensive use

Tolerance to different types of stress

(including high temperatures, excessive (reduced water) species must be resistant to temperature and hydric stress and their root system being sealed

Riparian species

important for species to be planted in blue corridors

Tolerance to salt sprays

important for species to be planted in seafronts

Tolerance to different types of soil

species should be planted in appropriate soil types

Structure of the root system

when planting in paved locations, species should have a more vertical-oriented root system

Tolerance to be planted in paved areas

species with aggressive root systems should not be planted in paved locations or near buildings

Historical/cultural references

species with historical or cultural significance should be planted in context

Ecological significance

species of particular significance to biodiversity and specific urban habitats should be prioritised

Climate-resilient street trees' species study

The Climate-resilient street trees' species study for Malaysia seeks to identify species that will be able to withstand and/or mitigate the coming changes in weather patterns. It will be funded by the Climathon Global Cities Award prize money.

The study consists of the selection of a list of species for street trees, small urban green spaces and urban waterways for cities in Malaysia.

The study will include typical tree pits and other related construction details and specifications for tree planting, as well as a maintenance guide.

Add Character and Charm

Trees add beauty to their surroundings. They bring colour, soften harsh lines of buildings, screen unsightly views and enhance the character of an area

Enhance Health and Well-being

Trees and green spaces can improve recovery times from illness, reduce stress and boost mental health

Conserve Energy

Carefully positioned trees can cut heating and cooling requirements in buildings as well as provide shade for pedestrians

Improve Air Quality

Trees improve air quality and counteract the greenhouse effect by absorbing pollutants and intercepting harmful particles

Support Environmental Education

Tree-planting projects, school gardens and edible playgrounds can help children develop their environmental awareness, conservation skills and knowledge of sustainable food.

Enable Urban Foraging

Trees provide fruits and nuts for wildlife and humans. Community gardens offer health, social and environmental benefits

Mindset to trial and learn

Community involvement with urban garden/park

Why we focus on street trees

Trees improve the liveability of our cities for countless reasons. Trees bring long-term benefits to communities, wildlife and the environment.

However, for many years the tree canopy in urban areas has been decreasing

Collaborative process

Weaving natural resources especially trees into the built environment requires a cross-disciplinary approach from project initiation through to design, implementation, maintenance and monitoring

Strengthen Communities

Creating and caring for green spaces helps people reconnect with their neighbours and their surroundings

Time in Years



Source: Trees in Built Environment: A Guide for Cities

Technical design solutions

Design of the below-ground environment is key to achieving long-term compatibility between trees and the built infrastructure that surrounds them in cities

Reduce Flood Risk

Trees absorb water, lowering stress on stormwater drains and mitigating flood risk. They also improve soil quality and prevent erosion, so more water is held in the ground

Collaborative approach to funding green and grey infrastructure

Efficient project delivery

Integration of adequate provision for trees in the planning and adoption process

Adequate substrate for root development e.g. crate

Protection and access to utilities

Integration of trees and sustainable drainage e.g. swales and structural soil

Load bearing and non-compacted rooting environment e.g. rafts

Some lessons learned from Portfolio

- NbS implemented through **community-based approaches** seem to show better results and have higher success rates.
- NbS adaptation interventions **need to balance short, medium, and long-term needs**
- In some cases, **additional adaptation approaches** are needed to complement NbS.
- Ensuring the **enabling conditions for the sustainability of the NbS**, so they can deliver their adaptation benefits in the long-term.
- The **policy and regulatory frameworks are important** to ensure that other threats to the ecosystems are also managed.
- The need for **financial mechanisms and incentives**.



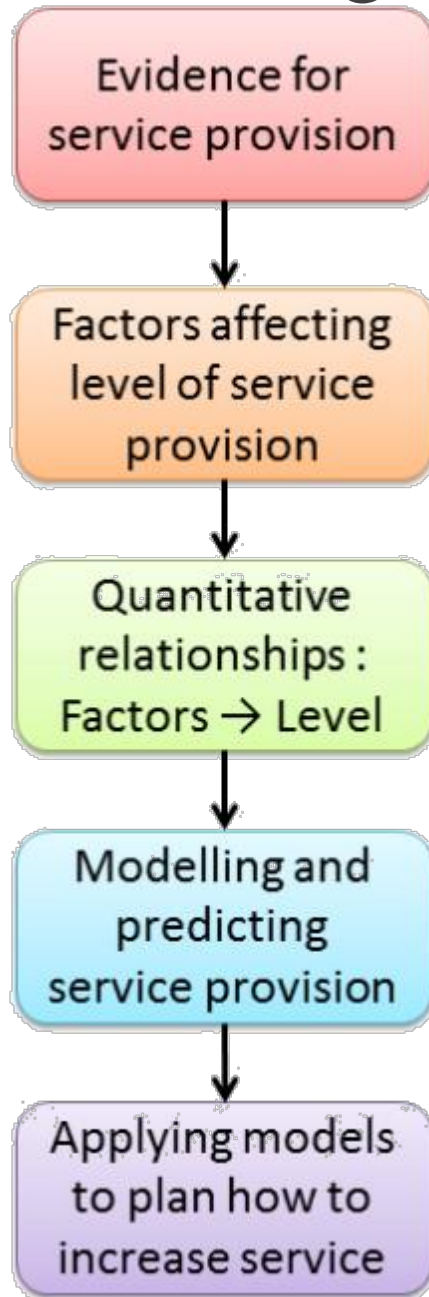
Some Challenges

- GOVERNANCE
- Nascent POLICY environment around NbS
- Inadequate FINANCING for NbS
- PERCEPTION issues
- Lack of STANDARDS / PERMITTING issues
- Climate change IMPACTS ON ECOSYSTEMS – Limit of adaptation
- Integration in multi-hazard risk modeling – estimate AVERTED LOSSES by ecosystems, QUANTIFYING vulnerability reduction
- Documenting the EFFECTIVENESS of the NbS



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Challenges- Quantifying Ecosystem Services







1. Scientific evidence
2. Which factors affect service provision?
3. How do they operate?
(quantitative description if possible)
4. Are there models?
How good/reliable are they?
5. Has the science/models been applied in adaptation?



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Adaptation Fund Funding Windows

	FUNDING TYPE	Accredited Entity Type	Maximum Funding Amount per Project/Program	How to Apply	Learning Resources
 ACTION Action grants support eligible countries to undertake high quality adaptation projects/programmes consistent with their priority needs, goals and strategies.	Single Country: For addressing climate change impacts in one country through tangible outcomes	NIE, RIE, MIE	USD 10 Million per Project/Programme*	Apply here for grant funding or technical assistance	E-course: Direct Access: Unlocking Adaptation Funding & Community of Practice for Direct Access Entities .
	Regional: 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 here for grant funding or technical assistance	E-course: Direct Access: Unlocking Adaptation Funding .
	Enhanced Direct Access: Supports bottom-up approaches through local knowledge and locally led action. Project selection occurs at national/sub-national levels.	NIE	USD 5 Million per Project/Programme (including the PFG)	Apply here for grant funding or technical assistance	EDA guidance document
	Project Scale Up: 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 here	E-training: Scale-Up Grants
 INNOVATION Innovation grants support the development and diffusion of innovative adaptation practices, tools, and technologies.	Small (single country): To accelerate development of innovative practices, tools and technologies and demonstrate best practices for scale-up	NIE	USD 250,000 per Project/Programme	Apply here	E-training: Innovation Small Grants
	Large (single country or regional): To roll out or scale-up successful innovative practices, tools and technologies to a new country or at regional scale, involving 2+ countries/regions	NIE, MIE, RIE***	USD 5 Million per Project/Programme	Apply here	Innovation large grants guidance documents available here
	Adaptation Fund Climate Innovation Accelerator: 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 here for grant funding	UNDP UNEP/CTCN
 LEARNING & SHARING	Learning Grants: 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 here for grant funding	E-training: Learning Grants
 READINESS Readiness grants enable NIEs to provide peer support to countries seeking accreditation with the Fund and build capacity for undertaking various climate finance readiness activities.	Readiness Support Package Grant: Facilitate the delivery of more enhanced, targeted and tailored readiness support for accreditation to developing countries	NIE	USD 150,000 per NIE	Apply here	Website: Readiness
	Technical Assistance Grant for the Environmental and Social Policy and Gender Policy: 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 here	E-course: Direct Access: Unlocking Adaptation Funding
	Technical Assistance Grant for the Gender Policy: 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 here	E-course: Direct Access: Unlocking Adaptation Funding

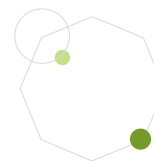
Notes:

*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 30,000. All IEs 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.



AF Funding Opportunities under Strategic Pillars

ACTION	INNOVATION	LEARNING & SHARING
<p>Single country projects (<\$10M) within cap of \$20M per country <i>NIEs, RIEs, MIEs</i></p> <p>& Project Formulation Grants: (<\$50,000) <i>for NIE only</i></p>	<p>Small grants (<US\$250 k) to foster innovation practices in climate change adaptation <i>(NIEs)</i></p>	<p>Learning grants (<US\$150 K) to share best practices and lessons learned <i>(NIEs)</i></p>
<p>Regional projects (multi-country): <up to \$14M <i>(RIEs, MIEs)</i> &</p> <p>Project Formulation Grants</p>	<p>Small grants (<\$ 250k) in innovation for non-accredited entities <i>(AF Climate Innovation Accelerator through MIEs)</i></p>	
<p>Enhanced Direct Access (EDA): <US\$ 5 M per country <i>(NIE)</i></p>	<p>Large grants (<US\$5 M) to roll out innovative adaptation practices and tools <i>Single country (NIE, RIE, MIE) or regional (RIE, MIE)</i></p>	
<p>Project scale-up grants < US\$100 k per project <i>(NIE)</i></p>		 ADAPTATION FUND

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 Adaptation Fund Funding Windows					
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	Regional: For addressing climate change impacts in 2+ countries in the same United Nations region, or adjacent regions, through tangible outcomes.	RE, ME	USD 14 Million per Project/Program** (including the RGC)	Apply here for grant funding or technical assistance	Country Direct Access Unlocking Adaptation Funding
	balanced Direct Access Supports bottom-up approaches through local knowledge and locally led action. Project selection occurs at national/sub-national levels.	NE	USD 5 Million per Project/Program (including the RGC)	Apply here for grant funding or technical assistance	DFA guidance document
	Project Scale-Up Supports planning, design and overall capacity to develop scale-up pathways for AF funded projects nearing completion or already completed.	NE	USD 100,000 per Project/Program	Apply here	Scale-Up Grants
INNOVATION	Small (single country): To accelerate development of innovative practices, tools and technologies and demonstrate best practices for scale-up.	NE	USD 250,000 per Project/Program	Apply here	Innovation Small Grants
	Large (single country or regional): To roll out or scale-up successful innovative practices, tools and technologies to a new country or at regional scale, involving 2+ countries/regions.	NE, ME, RGC***	USD 5 Million per Project/Program	Apply here	Innovation large grants guidance documents available here
	Adaptation Fund Climate Resilience Accelerator Administered by UNDP & UNEP/CTCI to accelerate the development of innovative practices, tools and technologies and demonstrate best practices for scale-up.	Non-accredited****	USD 250,000 per Project/Program	Apply here for grant funding	AFICAR PROJECTS
LEARNING & SHARING	Learning Grants support the generation and dissemination of practical knowledge about effective adaptation activities and financing modalities to actors around the world.	NE	USD 150,000 per Project/Program	Apply here for grant funding	Scale-Up Learning Grants
READINESS	Readiness Support Package Grants facilitate the delivery of more enhanced, targeted and tailored readiness support for accreditation to developing countries.	NE	USD 150,000 per NE	Apply here	Webinar Readiness
	Technical Assistance Grant for the Environmental and Social Policy and Gender Policy for NEs to strengthen capacity to address environmental and social risks as well as gender related issues in their projects and programs.	NE	USD 25,000 per NE	Apply here	Country Direct Access Unlocking Adaptation Funding
	Technical Assistance Grant for the Gender Policy for NEs with robust environmental and social policies to enhance measures to avoid, minimize and/or mitigate adverse gender impacts.	NE	USD 10,000 per NE	Apply here	Country Direct Access Unlocking Adaptation Funding

Notes:
*Not applicable for single country projects through direct submission process (concept note, fully developed proposal with concept note can request a [Policy Guidance Grant](#) (PGG) up to USD 10,000 in addition to the USD 10 million grant.
**Only NEs and NEs applying for regional projects in countries through the 2+ countries process can request more concept note, fully developed proposal, design and implementation plan up to USD 25,000 with a concept note and a concept note of PPG up to USD 10,000.
***For NEs submitting proposals for large innovation grants, there is an opportunity to request a PPG of up to USD 10,000 per project, for a project for which the funding is sought. The total amount of funding inclusive of PPG cannot exceed USD 1 million. NEs and NEs submitting concept notes for large innovation grants for regional projects can also request a PPG of up to USD 10,000 with a concept note and a concept note of PPG up to USD 10,000 only can apply to regional innovation large grants.
****Applies wide range of applicants, including local governments, NGOs, young entrepreneurs, the private sector and others.




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Thank You



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