

Editorial

2011 has already seen the threats of climate change. Severe climatic events like the drought in Northern China or the extreme floodings in Australia have captured the breath of the world. 2010 was identified to be the hottest year globally on records. Sea-level rise is accelerating; the second heavy drought in the Amazon since 2005 raises the concerns of the dying-back of the Amazon rainforest triggered by global warming and local deforestation. And the vulnerable people and countries in the world are still waiting for an emission reduction ambition which does not sacrifice their livelihoods and territories. All this makes clear the urgency with which adaptation to climate change has to happen, in order to ensure that key development objectives such as food security and safe health can be realised.

The Adaptation Fund established under the Kyoto Protocol is scaling up its practical relevance. Direct access has become reality, despite remaining challenges for many countries. By March 2011 further concrete adaptation projects were approved in Ecuador, Eritrea and Solomon Islands. Also the concept note of Uruguay, which tackles the direct access route, has been endorsed.

All around the world we are still beginners in adaptation to future climate change. Sharing experience, collecting information and, also, learning from failures will be a vital task for the years to come. Early-on engagement of civil society is crucial in that regard, not the least in countries where Adaptation Fund projects will be implemented. For that reason, it is a success that NGOs from developed and developing countries are stepping up their efforts to work together to contribute to a successful development of the Adaptation Fund. The newly founded AF NGO Network from now on provides the opportunity to put this work on more stable foot. We would like to invite everyone to join and to provide insights of the developments in their countries, so as to highlight good examples and to help other countries learn from this.

Sven Harmeling (Germanwatch) and Achala Chandani (IIED)

Upcoming: 14th meeting of the Adaptation Fund Board: June 21st and 22nd in Bonn

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The Adaptation Fund – facts and figures

Project level		
Full projects approved	7	Senegal, Honduras, Nicaragua, Pakistan, Ecuador, Eritrea, Solomon Islands
Project concepts approved	8	Cook Islands, El Salvador, Georgia, Guatemala, Madagascar, Maldives, Mongolia, Uruguay
Project concepts/full projects not endorsed or approved	10	Egypt, Fiji, India, Mauritania, Mauritius, Niue, Papua New Guinea, Uganda, Tanzania, Turkmenistan
Funding decisions (full projects)		USD 43.2 million
Implementing Entities accredited		
National IE (direct access)	3	Senegal, Jamaica, Uruguay
Multilateral IE	7	ADB, IFAD, UNDP, UNEP, WFP, World Bank, WMO, IADB
Resources in the AF Trust Fund		
Obtained through CER monetisation		USD 138.16 million
Voluntary contributions by developed countries		USD 85.59 million

Developed countries on the AFB which have pledged 0 or less than USD 100,000 into the AF: Finland, France, Japan, Norway, Switzerland, UK. Please take action!

Greeting from the Chair of the Adaptation Fund

As the Adaptation Fund Board goes into its fourth year of work in 2011, I feel honoured to be entrusted with the role of its chair. Over the last year, the AF has made substantial progress, approving the first projects, releasing funds to developing countries less than a year after the first call for proposals, and enabling the direct access modality.

The AF is an institution with the necessary governance structure to ensure the effective and efficient use of resources. The innovative features of the AF could be replicated in a potential new model for international finance and can serve as an example for global action on climate change. The Adaptation Fund Board is well positioned and prepared to share the experiences gained from the use of the direct access modality as well as the support to concrete adaptation projects and programs that reduce the adverse effects of climate change in order to enrich global knowledge on climate change adaptation.

The collaboration and engagement of civil society is crucial for the success of the AF. While, civil society has actively contributed to raising awareness on the AF, further efforts are necessary. Indeed, the AFB has benefited considerably from the experience and inputs from civil society. Therefore, I look forward to the Adaptation Fund NGO Network becoming a key source of inspiration for the Adaptation Fund Board.

Ana Fornells de Frutos, Chair of the Adaptation Fund Board

Summary of decisions adopted by the Adaptation Fund Board at its 13th meeting

From 17th to 18th March, the 13th meeting of the Adaptation Fund Board took place in Bonn at Langer Eugen. The following key decisions were adopted.

1. No further NIEs could be accredited. Among the five NIE application submitted for accreditation, two were reasonable candidate for accreditation and the AFB therefore instructed the secretariat to organise a field visit. The Inter American Development Bank (IADB) has been accredited as the seventh MIE by the Board.
2. The Board approved for funding three further projects: Projects from Eritrea and Solomon Islands submitted through the UNDP acting as their MIE, and the project of Ecuador submitted by the World Food Programme acting as MIE.
3. The Board adopted a transparent working and reporting system. Accordingly, it decided to provide insight on the rationale behind decisions related to the approval and endorsement of projects and project concepts.
4. The Board pursued its consultation with the stakeholders in frame of the so called "dialogue with civil society"
5. and finally the Board decided to reduce its ecological footprint through using electronic versions of its documents and reducing costs and resources for printing.

For more details see the Germanwatch report on the 13th meeting of the AFB:

<http://www.germanwatch.org/klima/afb2011-03r.htm>

The official report on the meeting can be found here: http://www.adaptation-fund.org/sites/default/files/AFB13%20Final%20Report_0.pdf

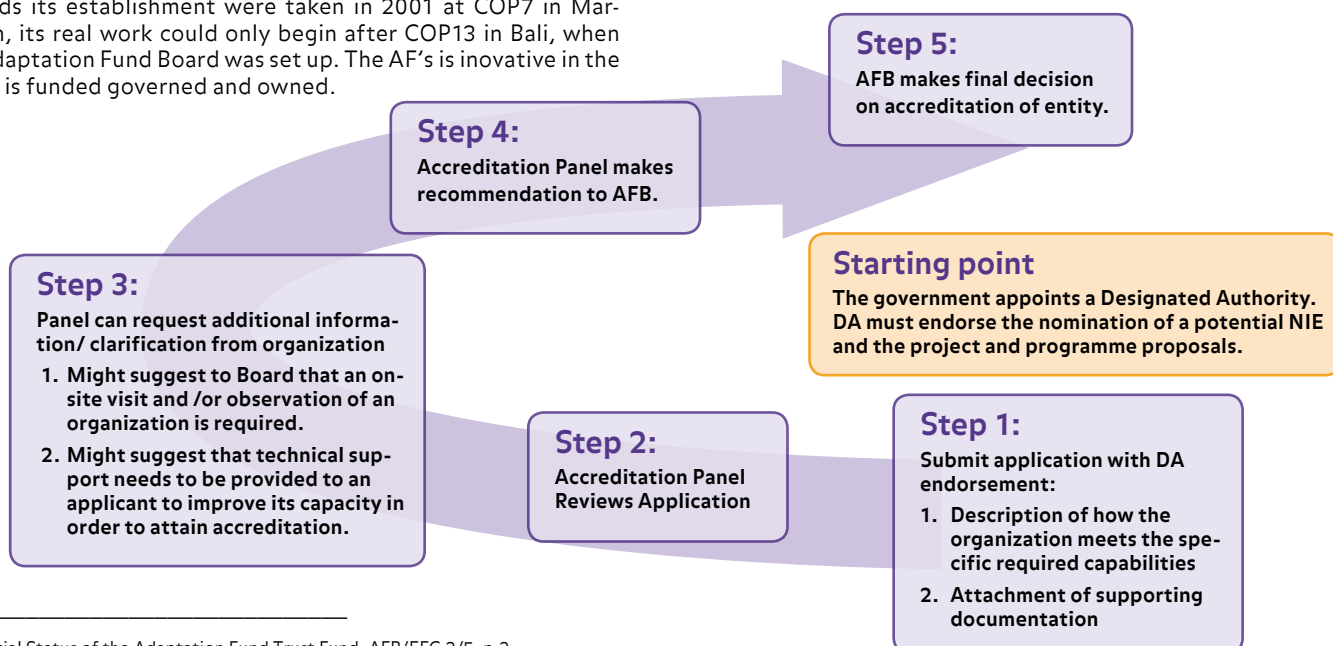
Firstly the AF is financed by a ground-breaking funding mechanism: Fund revenues are obtained primarily from a 2 per cent share of proceeds from the Kyoto Protocol's Clean Development Mechanism (CDM) project activities. This means that the Fund is self-financed through the carbon market, independently from and in addition to contributions from developed countries. So far, the Trustee (the World Bank) has generated revenues of USD 112.5 million since the start of the monetization program in May 2009, and estimates of potential resources available for the Adaptation Fund arrive at around USD 350 million by 2012¹. This is a drop in the ocean compared to the adaption cost in developing countries, which the world Bank estimates USD 70 billion to USD 100 billion per year on average until 2050.

Secondly its governance structure enshrines the UNFCCC principle of equitable and balanced representation of all Parties more than the governance composition of any other existing. The Adaptation Fund is supervised and managed by the Adaptation Fund Board (AFB), which is comprised of 16 members and their alternates from both developed and developing countries. It is under the authority of, and accountable to the Meeting of the Parties to the Kyoto Protocol.

Thirdly it allows for the first time direct access to climate finance resources. In general, wealthy nations prefer to channel their contribution through multilateral institutions rather than through domestic agencies of developing countries. By experience of developing countries however, these multilateral agencies often restrict access by slacking the implementation of projects and the disbursement of funds. The principle of the direct access approach is simple. It aims at simplifying and accelerating the allocation process of resources to the developing countries. Developing countries can nominate domestic organisations for accreditation as a National Implementing Entity (NIE). For accreditation, these NIEs have to meet a set of fiduciary standards and sound management set by the AFB. Such fiduciary standards constitute the credibility of the Board and warrant that the money will be used for the purpose for which it has been disbursed. However the accreditation process reveals itself as difficult as expected. Several questions such as "How to find the suitable institution able to master the accreditation process?" remain a challenge in many developing countries. There is no single recipe for national implementing entities. The three so far accredited NIEs from Jamaica, Senegal, and Uruguay are different from each other and are institutions already existing in their countries and are experienced in very different tasks.

What constitutes the uniqueness of the AF?

The Adaptation Fund was established under the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC) to finance concrete adaptation projects and programmes in particularly vulnerable developing countries. While the first steps towards its establishment were taken in 2001 at COP7 in Marrakesh, its real work could only begin after COP13 in Bali, when the Adaptation Fund Board was set up. The AF's is innovative in the way it is funded governed and owned.



¹ Financial Status of the Adaptation Fund Trust Fund, AFB/EFC.2/5, p.2

How to make direct access work?

As the government of a developing country, you have to take the following steps to arrive at direct access. The AF website provides further guidance, including an example application by UNDP: <http://www.adaptation-fund.org/about/accreditation-panel>

1. Check the fiduciary management standards set up by the AFB.
2. Think about whether you have an institution which is experienced in international project finance oversight and may meet the standards. You can check the examples of the already accredited National Implementing Entities from Senegal, Jamaica and Uruguay and communicate with their directors: <http://www.adaptation-fund.org/accreditedNIEs>
3. Once you have identified a potentially suitable institution, prepare an application to the AFB using the template presented on the AFB website.

Further steps are outlined on the aforementioned AFB website. Good luck with your application!

Some other important features have been crystallised within the work in Board.

Fourthly, the AFB has adopted the strategic priority of giving special attention to the particular needs of the most vulnerable communities. This kind of qualification goes in line with the fiduciary standards, in order to channel money to serve those who are most in need.

And the fifth feature is its transparent working mode, which is crucial regarding reliability, accountability and transparency. Except for a few closed sessions, observers are allowed to participate and even sit in the meeting room of the AFB, as well as follow the sessions. The documents are put online in advance of the meetings, and observers are allowed to publicly comment on project proposals before their adoption.

Alpha Kaloga, Germanwatch

A bottom-up perspective on the Adaptation Fund

Tracking developments related to the Adaptation Fund within developing countries, such as the implementation of approved projects or, in an earlier stage, the identification of project proposals, is important to paint an encompassing picture of the Adaptation Fund and its relevance for adaptation. This part of the newsletter therefore contains updates from two countries which already reached the stage of concrete implementation – Senegal and Honduras –, one direct access country – Jamaica – from which a project proposal is expected. And an insight from the Philippines which envisages going through direct access as well.

If you have interesting information to report on debates around the Adaptation Fund in your country, we are happy to receive proposals for articles for future issues of the AF NGO Newsletter, just contact: kaloga@germanwatch.org

A strategic project to attend climate change in Honduras

In 2010, the Adaptation Fund approved a project in Honduras to cope with the increasing environmental vulnerability due to the effects of climate change. This one was the second project that has been approved worldwide by the Adaptation Fund. It is justified not only by the quality of the project's strategy itself but by the country's urgent need to reduce its recognized vulnerability levels to climate change in certain areas.

The project will be implemented in a watershed that hosts Honduras largest city, Tegucigalpa. The environmental issues on this watershed are increasingly growing and they derive particularly from the poor planning and population growth which imposes great pressure on local natural resources such as forests, soil and water. This creates negative impacts on various zones of the watershed and especially in the city of Tegucigalpa, which is directly impacted by the instability of the hydrological cycle, which causes sudden floods and long periods of drought.



Choluceta river in Tegucigalpa Honduras

Furthermore, this is a strategic project for Honduras because it addresses three major challenges linked to climate change; i) seeks to strengthen relevant institutions in the country to include the issue of climate change within its institutional planning processes, ii) seeks to reduce risk and vulnerability amplified by climate change mainly on water resources in Tegucigalpa and iii) to increase the level of awareness of decision makers and resource users with the purpose of identifying options to reduce their vulnerability to climate change risk.

All of these are priority issues of urgent attention in Honduran society. This is the reason why this initial financing should be considered the foundation to construct systematically a series of actions to accelerate the country's adaptation process. More specifically, in the context of the national policies, the accomplishment of this project is a good step towards the implementation of the National Climate Change Strategy, recently approved in Honduras.

In addition, this project could set an example of interinstitutional collaboration. Even though the Natural Resources and Environment Secretariat serves as the Executing Entity, the political and operational direction of the project rests on a multi-sector committee (Inter-institutional Committee for Climate Change) integrated by the government, NGO, academic institutions, private sector and civil society. They are expected to provide the necessary inputs for the project's optimum development, with a technical vision, transparent processes and the participation of the local sectors.

The materialization of this Committee is innovative, not because there has not been any management committee on other projects in the country before, but because of the rich way in which is integrated and the role that is expected to be carried out. If good results are achieved, this would be an example of how multi-stakeholder participation in projects of this nature can play an important role in achieving the expected results.

Isaac Ferrera, Fundación Vida

Direct access: an update from the Philippines

Interest from the Philippine government to tap the Direct Access modality of the UN's Adaptation Fund has developed steadily ever since intense exchanges between national agencies and the Philippine Senate took place in August 2010.



The government initially weighed the option of utilizing the multilateral route, after discussions with the World Bank and agencies demonstrated opportunities to advance the adaptation agenda of the Philippines. This took place, however, during the transition to a newly elected government.

Once the new administration was in place, careful consideration and closer coordination among national agencies led the government to decide in November to directly access the Adaptation Fund. It started a consultation process that would set-up the country's National Implementing Entity (NIE).

Facilitating the effort is the Philippine Climate Change Commission, the policy-making body tasked to lead the country's response to climate change. The Commission was established in late 2009 when the Philippine Climate Change Act was signed into law.

The Commission has organized a Climate Finance Group that composed of agencies such as the Department of Finance, the National Economic Development Authority (the country's planning ministry) and the Department of Budget Management and the Department of Environment and Natural Resources (DENR). Designating the NIE and ensuring its accreditation with the Adaptation Fund Board (AFB) is one of the goals of the Commission-led initiative, including the eventual consolidation of the proposal the country will be submitting to the AFB once the Philippine NIE is accredited. The Commission will be working closely with the Department of Agriculture, the Department of Science and Technology and the DENR to develop the country's proposal to the AFB.

The Commission is chaired by Philippine President Benigno Aquino III and is managed by Vice Chairperson Mary Ann Lucille Sering. Carrying the rank of Cabinet Secretary, Sering believes the country needs to tap the Adaptation Fund particularly because of its unique governance architecture and Direct Access modality. Sering is confident that the Climate Finance Group will be able to accredit the Philippine NIE with the AFB over the next few months, which will pave the way for the NIE's submission of its proposal to the Adaptation Fund.

The Commission is in close dialogue with civil society organizations monitoring climate finance-related developments in the UNFCCC and multilateral development banks such as the World Bank and the Asian Development Bank.

Renato Redentor Constantino, Executive Director, Institute for Climate and Sustainable Cities, Manila (Philippines)

Jamaica has submitted its first project concept proposal to the Adaptation Fund in April.

The process is being led by The Planning Institute of Jamaica (PIOJ), in collaboration with a multi-sectoral group of organizations working on climate change. The PIOJ has been accredited as the implementing agency for the Adaptation Fund in Jamaica.

Jamaica is one of three countries that have received approval from the Adaptation Fund Board to directly access funding for projects. The other countries are Senegal and Uruguay.

In 2009, Jamaica was listed among six Caribbean islands ranked in the top forty countries experiencing extreme weather impacts by Germanwatch's Global Climate Risk Index. According to Germanwatch, its Global Risk Index analyses how severely countries have been affected by weather-related loss events such as hurricanes and floods.

The impact of climate change on small island developing states such as the Caribbean and the urgent need for this to be addressed is an issue that has gained significant traction and action at both the civil society and policy makers' level.

The project concept submitted to the AFB, which will be discussed at the AFB's 14th meeting in June, focuses agriculture (including fisheries and forestry) and coastal resources with the tourism sector having spin-off benefits. The sectors were identified by Jamaica's second national communication to the United Nations Framework convention on Climate Change as being most highly impacted by climate change.

The project aims to increase sectoral resilience and adaptive capacity to cope with the impacts of climate change by: improving land and water management in the agricultural sector; strengthening coastal protection; and building capacity in vulnerable locations.

"The concept involved a highly participatory process which took some time to get done – longer than originally anticipated. But I think the interventions recommended will ensure that the poor and most vulnerable groups will be assisted to cope with the impacts of climate change. In targeting the agricultural sector too it will tackle the food security issues that face the island because of climate change," said Indi Mclymont-Lafayette.

Indi Mclymont-Lafayette, Regional Director Media Community and Environment at Panos Caribbean



Local community and partners replant mangroves in one of the project areas.

Launch of the project “Adaptation to coastal erosion in vulnerable areas of Senegal”

Several activists and stakeholders met in Joal on Saturday the 5th March in order to officially launch the start of the implementation of the project “Adaptation to Coastal Erosion in Vulnerable Areas of Senegal”. The project is financed by the Adaptation Fund (under the Kyoto Protocol) and is in line with the national priorities as identified in the National Adaptation Programme and Action (NAPA) of Senegal, which identified the coastal zone (700km) as the most vulnerable area of the country. It will be implemented at “Little Coast” in Joal, Rufisque and Saly and aims at reducing the incidence of coastal erosion on tourism and fishing infrastructure, as well as on homes and the environment.

Coastal erosion affects the strategic sectors of Senegalese economy (fishing, agriculture and tourism). It will also threaten livelihoods of an important part of the Senegal’s population, which is located on and along the coast. For instance the country’s largest tourist complex is hosted at Saly, while in Joal the major fishing port surrounded by a rich mangrove ecosystem. This ecosystem serves as both a potential source of energy for the population and as a biodiverse important reproductive area for many species of animals and fish. While it also helps to mitigate against the rising levels of salinity that are harmful to agriculture.

In their remarks at the launch, the deputy mayor of Joal, the Director of Environment, the project coordinator of the CSE (Centre de Suivie Ecologique, the first ever accredited National Implementing Entity) as well as the President of the Association “Dynamic Women” reiterated the need to get all actors in the project regions involved in order to achieve the identified adaptation measures. The key identified activities are following:

- rehabilitation of the dam at Joal to boost rice production and reduce salinization of arable land. Regeneration of the land could encourage market gardening in the area;
- fish smoking with appropriate smoking rooms suitable for reducing of pollution and pressure on timber resources;
- Improving the infrastructure of the fishing dock in Joal-Fadiouth;
- awareness and capacity building of local people on adaptation techniques to climate change in particular to those related to the coastal erosion issues. The establishment of a local platform as a discussion forum for monitoring, information and

experience exchange in order to help improve the participation and sharing of knowledge.

The project “Adaptation to coastal erosion in vulnerable areas of Senegal” raises great hopes among people. It aims at helping to stimulate local development whose pillars are fishing, tourism and agriculture. It must however be integrated into the dynamics of municipal planning. In addition, it should also consolidate existing initiatives in environmental protection (mangrove reforestation, sanitation of the locality, etc.) and development.

In doing so, the approach could promote greater interaction between different actors representing the local authorities or from vulnerable communities and facilitate the achievement of project objectives.

Emmanuel Seck, ENDA TM

Will the AF contribute to climate-resilient food security?

Climate change will exacerbate the existing menace to agriculture and food security. With the expected increase of the world population (9 billion by 2050) and its concomitant exponential rise of demand to adequate food, the peril of hunger and malnutrition of over one billion of poor people will put additional pressure on the whole food system. One of the key challenges towards food security – because it determines, the availability, stability, accessibility and utilisation of food – is agriculture, which is extremely susceptible to climate change and weather extremes. Nonetheless, agriculture remains in poor countries the sector which encompasses all angles of securing livelihood for more than 2.5 billion of poor people².

This article focuses on the interactive relationship between agriculture and food security in face of climate change. Adaptation through agriculture becomes crucial and should help to particularly stabilise the food price and the availability of food (i.e. through more resilience production) and improved food access for the most vulnerable on the other as an integral strategy towards food security under climate change.

Which kind of agriculture projects should the AF fund in order to reduce food insecurity? And which among the submitted projects go into this direction?

Up to end of March 11 out of 25 projects proposals submitted to the fund target agriculture or food security as at least one of their main component to be achieved. These are projects from Senegal, Uruguay, Ecuador, Eritrea, Guatemala, Honduras, Madagascar, Mongolia, Niue, Solomon Islands, Tanzania. Basically the circumstances as well as the approach applied to fight the consequence of climate change on food security differ from country to country. However, the submitted proposals intend more or less to enhance crop yields and agriculture productivity as well as to enhance the resilience of targeted communities to climate change on food security. For the purpose of this newsletter, we will only focus on project concepts or full projects which have been approved or endorsed.

The fully developed project from **Ecuador** has been submitted through the World Food Programme (WFP). It targets over 200,000 vulnerable community members in those cantons with high levels of chronic malnutrition and high risk of precipitation fluctuations and water availability due to climate change. The project identified two interesting adaptation strategies: a) Community Based Adaptation (CBA), which describes community ownership and leadership in project design and implementation. This approach is typically lacking in most projects. And b) Ecosystem Based Adaptation (EBD), which should address the increasing



Remnants of the former anti-salt dam in Joal, Senegal

² In the poor world, income or GDP deriving from activities around agriculture and food security are estimated to be four times as valuable as those from other sectors.

fragility of ecosystems. Achieving both goals, one can argue that the present project could be seen as a sustainable agriculture adaptation project, because it contributes to socially and environmentally sustainable agriculture, including both social justice and environmental integrity³.

The proposal of **Eritrea** has also been approved by the AFB for funding during the last meeting. It has been submitted by the United Nations Development Programme (UNDP). Eritrea is Africa's country with lowest adaptive capacity and highest level of food insecurity accompanied by high levels of malnutrition. The programme targets approximately 6,140 households and aims at increasing community resilience and adaptive capacity to climate change through an integrated water management and agricultural development. It also intends to approach a range of interlinked social, environmental and economic benefits in Eritrea. It will apply a participatory approach working with vulnerable groups in particularly drought-prone areas to facilitate the use of methods such as agro-forestry and conservation agriculture, which are accepted to be ecologically sustainable methods to improve agricultural production.

The endorsed concept proposal from **Madagascar** has been submitted through the United Nations Environmental Programme (UNEP) and aims at promoting climate resilience in the rice sector. Agriculture, particularly rice culture and trade, play a central role in national economy of Madagascar and provide the main engine for providing food, 95% and 75% of GDP⁴ and employs 60% of the workforce. The project intends to transform the rice sector in order to make it more resilient to climate change. It also intends to restore the ecosystem around the rice plantation, by substituting the unsustainable practices of agriculture like slash and burn, which are widely used in the country. Furthermore the project intends to strengthen the capacity of decision-makers to respond to climate change threats on agriculture. In contrast to the proposal of Ecuador, which clearly sees community-based organisations as one of its fundamentals, the Madagascar project reserves a strong role for governmental bodies and applies a top down approach of implementation.

The concept proposal of **Uruguay** aims at building resilience to climate change in vulnerable smallholder communities. It is the second direct access project under the AF and has been submitted through the ANII acting as National Implementing Entity and has been endorsed during the 13th meeting. Smallholders as the most vulnerable communities within Uruguay represent two third of the farmers in Uruguay, who however own 15% of the cultivable land. Increasing their agriculture productivity on the piece of land through smart agriculture will help Uruguay to meet its commitment which consists of integrating the inclusion of smallholders in its social policy. The targeted smallholders have been basically selected because of their high level of vulnerability, which appears to be in line with the strategic priority of the fund to give special attention to the most vulnerable communities when developing projects.

Interesting is, that the palette of the aforementioned projects is different from each other in their approach and methodologies. While Ecuador's project uses a bottom-up approach, which integrates different kinds of organizations at the grassroots level and encourages self-organization, the Madagascar project applies a top-down approach through the strong focus on policy-makers, whose capacity should be strengthened in order to better respond to climate change threats on agriculture. The third project from Eritrea supports the empowerment of particularly

vulnerable people by fortifying social structure and knowledge. While the project of Uruguay aims at improving the productivity of small holder as the most vulnerable group within the country through smart agriculture method.

All these approaches have their pros and cons, however, it is important that the Fund prioritises those projects, which particularly focus on bottom-up development and apply a participatory approach of agriculture. This is important to make the Fund realise its strategic priority that "special attention should be given to the particular needs of the most vulnerable communities". And in light of the fact that food insecurity is often one of the biggest threats for people living in these communities adaptation can make a difference here. In the future, the Adaptation Fund Board could also highlight best practice cases and facilitate that other countries adapt.

Alpha Kaloga and Sven Harmeling, Germanwatch

What future for the Adaptation Fund?

Unfortunately, some countries are casting shadows over the future of the Kyoto Protocol by refusing to commit to a second commitment period. Does this put the innovative Adaptation Fund at risk as a whole? Fortunately it does not. A legal analysis prepared by the UNFCCC Secretariat confirmed that since the Kyoto Protocol as such does not expire, the AF will exist even if there is not a second commitment period (We want to underline here that we fully and strongly support that there will be one). However, what is more at risk in the long-term is the demand for Certified Emission Reductions, although the European Emission Trading System will exist independent from the KP. This only stresses again the need for reliable, innovative public funding sources to expand the available resources.

But as the new Green Climate Fund is going to be formed during the course of this year, the question arises what will be the role of the AF in the future? Expectations towards the Green Climate Fund are high, in particular in terms of the scale of resources that it should manage. So will the AF just become a small brother, pushed aside by the big Fund? Or are there options for a mutual coexistence and maybe effective division of labour?

We think the AF can bring in some unique features around its specific purpose, which in our view would be the key determinant for an effective and complementary division of labour. On the one hand there is the focus on concrete adaptation projects and programmes, which aims at specific interventions focusing on the expected impacts of climate change, rather than addressing the basics of overall vulnerability or the broader aim of mainstreaming adaptation in policy and planning. Secondly, the AF is the only fund which has special attention to the "**needs of the most vulnerable communities**" as its strategic priority. In the combination of both there lies a particular strength of the Adaptation Fund. Where the most vulnerable people are at severe risk from climate change, it requires urgent and specific interventions, and these can be better achieved through concrete projects than through the also important, but usually longer-term integration of climate risks into policy and planning. However, it is important for the AF to strengthen this important priority. So far little methodological guidance is provided for project proponents on what the focus on the most vulnerable means. This leads to approaches varying significantly in methodology and quantity. A more systematic identification of vulnerable communities and groups, inclusive and transparent decision-making and the engagement of civil society and local institutions needs to be demanded by the AFB.

Of course, the AF has also been the pioneer for direct access in climate finance. It is decided that the Green Climate Fund will

³ Eriksen, Siri et al 2011: When not every response to climate change is a good one: Identifying principles for sustainable adaptation, review article in Climate and Development: see <http://www.earthscan.co.uk/journals/cdev/>

⁴ For more detail, see: http://www.adaptation-fund.org/sites/default/files/AFB_PPRC_5.9%20Proposal%20for%20Madagascar_0.pdf

also have a direct access element, where the specific design, purpose and scope is not yet clear. Of course it should build on the experience gathered by the AFB, which, however, does not automatically mean that the AF's approach to direct access is the final word. For example, in the Global Fund to fight HIV/Aids, Tuberculosis and Malaria direct access is a) the usual avenue to receive the resources (with multilaterals only used in exceptional cases) and b) builds on in-country partnerships. The so-called "Country Coordinating Mechanisms" are designed as nationally appropriate, but always multi-stakeholder approaches, while in the case of the AF governments can more or less solely determine the key institutional parameters (guided by internationally agreed fiduciary management standards).

Assuming the AFB would strengthen its focus on concrete projects and programmes for the most vulnerable, a potential division of labour could be that the GCF takes a stronger role in funding larger-scale, e.g. sectoral programmes or national adaptation strategies, wherever possible through direct access and devolution of detailed funding decisions to the national level. In that case the model of coexistence could for example be that, upon request of the AFB in the case of funding gaps, the GCF forwards resources to the AFB for concrete adaptation programmes. This would allow both to coexist with different focus areas. Of course this should not open up the GCF to forward resources to all existing multilateral and bilateral funds, a clear preference should be given to the funds under the Convention/KP.

Another option would be to expand the mandate of the AF to go beyond projects and programmes, fund capacity building and full sectoral policies, and thereby become THE adaptation fund at all, possibly as the adaptation window of the GCF. Legally this could be either done through a legal agreement between the GCF and the AF which has its own legal capacity. The other option would be to move the AF from the Kyoto Protocol to the Convention, which, however, would likely be much more difficult, both from a legal as well as a political point of view (would the US agree to this or then pay into the GCF's adaptation window?). It might also create an imbalance to the other (to be agreed) windows under the GCF, which would not have a similarly elaborated structure.

The Transitional Committee working out the Green Climate Fund in 2011 will be tasked to inter alia take into account complementarities, and obviously the AF is a key player here to look at. While it is too early to definitely give the one and only answer on the future of the AF, starting thinking is never too early.

We welcome that the AFB decided at its 13th meeting to enter into communication with the UNFCCC Secretariat and the COP Presidency on how the AFB can participate in the work of the Transitional Committee. Potential options are that secretariat staff is seconded to the support for the Transitional Committee – which may be challenging given the capacity constraints of the AFB Secretariat –, or that one AFB member participates in the TC meetings as an observer on behalf of the AFB.

The AF has made significant progress over the last three years and is now fully operational, and building on its lessons learnt is crucial. Ensuring that the most vulnerable people are put into the heart of adaptation funding is one key task for international action, derived from international human rights obligations. An effective international set up of funding institutions should contribute to this objective as much as possible.

Sven Harmeling, Germanwatch

An Adaptation Fund NGO Network to accompany the implementation phase

2011 marks the implementation year, the AF will likely soon consecrate itself to its main duties, namely to financing concrete adaptation action in developing countries. It becomes therefore obviously despite its strong link to the Kyoto Protocol, that the outcomes of projects funded by the AF will determine its future role under the convention. Bearing this imperative in mind, several NGOs have jointly identify the need to consolidate NGO work around the Adaptation Fund and in particular to leverage support for civil society in developing countries to follow the implementation of concrete projects under the AF in their countries. Therefore the idea of an Adaptation Fund NGO Network emerged. Based on its previous work on the AF, Germanwatch took the lead to secure funds for an initial phased to set up such a network. A proposal to the German Climate Initiative, run by the German Federal Ministry for the Environment, was successful. So what is the purpose of this initiative? Who are members of the Network, how will they work? What are the goals of the Network and how to reach them?

The first real steps towards setting up the network basically happened in late 2010. The AF NGO-Network aims at building capacity of civil society in developing countries with the goal of escorting the execution of adaptation measures as well as the political setting up and endowment to the whole debate on the architecture of climate finance architecture. A specific focus on the direct access countries was chosen since this is one of the central new elements of the Adaptation Fund.

Achieving the main objectives of the network necessitates the initiation of a sustainable dialogue among all involved stakeholder particularly with those in project regions. The facilitation of such a dialogue in a network is required as a basis for ensuring sustainability, ownership, transparency and accountability with regard to projects and their deliveries as well as for sharing best practice and difficulties experienced. The overall mission of the AF NGO Network is in particular guided by the strategic priority of the AF that special attention shall be given to the needs of the most vulnerable communities.

Facilitating this, three layers of action have been identified within the network with different actors playing different roles.

The first level of action is the overall policy work on the level of the Adaptation Fund Board. Building on the work over the last three years, this is lead by Germanwatch in cooperation with some other NGOs who have followed the AF more closely, such as IIED, Wetlands International or Practical Action. This level of action consists of observing, assessing and commenting on the development of the fund, through briefings and reports of on the AFB meetings, informal lobby efforts etc. Germanwatch will bear the coordination and management function of all activities around and outside the network.

The second level of action envelops the network partners in countries where AF projects will be implemented, as well as all relevant stakeholders involved in the project within those countries. A special focus is given to the direct access countries, but other countries will also be looked at for reasons of comparability.

The work of the AF NGO Network will be supported by an Advisory Committee (AC), which is composed of ca. 25 experts covering different expertise, from NGOs and research institutions, from developing and developed countries. The invited experts are expected to assist the network in assessing the development of the AF, and by providing strategic guidance on how to successfully sway and perform the outcome of the project in the interest of the less privileged in the project region. It should also facilitate



At the 13th meeting of the AFB in Bonn: Emmanuel Seck from ENDA TM, Sven Harmeling from Germanwatch, Indy Mclymont-Lafayette from Panos Caribbean, Isaac Ferreira from Fundación Vida, and Alpha Oumar Kaloga from Germanwatch (from left to right).

and ease the sharing of knowledge on adaptation good practice within the country and regions, including on means to identify the particularly vulnerable people.

Although Germanwatch with its partners such as Bread for the World, IIED, Practical Action and others are initiators of the network, they understand their role as facilitators in the disposition of interested stakeholders from the south. This means the partners in project countries determine themselves the key actions to be undertaken such as field visits, workshops, which are deemed necessary to assess the implementation of AF projects identified in order to meet the ultimate goals of the Network. This will happen on the basis of a "baseline mapping" document developed by the partners, which tries to summarise the state of play in the discussion and awareness in their countries with respect of the Adaptation Fund. So far we have identified three partners in Senegal, Honduras and Jamaica.

In **Senegal**, our partner is **ENDA Tiers-Monde**, which collaborates with grassroots groups in search of alternative development models on the basis of the experience, expectations and objectives of marginalized peoples⁵.

Also the second partner is from a direct access country. In Jamaica the network will be working with **Panos Caribbean**⁶, which intends to amplify the voices of the poor and the marginalized through the media and ensure their inclusion in public and policy debate. The constellation in both direct access countries is interesting. While ENDA has been chosen after the project of Senegal has been approved, the Panos Caribbean has been identified before the submission of Jamaican's proposal. This is important, because PANOS got the possibility to be involved in the considerations on which project should be proposed by the government of Jamaica to the AFB.

The third partner is the **Fundación Vida from Honduras**, an organisation which has many years of experience in environment and development issues. Unlike the countries where the two other partners are based, Honduras has tackled the multilateral route through the accreditation of UNDP as its Multilateral Implementing Entity.

At the dawn of the implementation phase, the involvement of all interested stakeholders, both from developed and developing countries, is needed more than before. Networking is the key sticking approach to achieving this goal. This network is open to all NGOs and research organisations who are interested in following the AF and want to become members. Given the project is fully financed at least for a phase up to the middle of 2013, no membership fees are required. Of course active involvement is welcome, in distributing information provided by the network, in feeding in information from the AF process from your countries etc.

More information on the network can be found at:

www.af-network.org

The website, which is still in its early stages also contains resources such as the Germanwatch Adaptation Fund Project Tracker, briefings and reports on the meetings of the Adaptation Fund Board and other reports.

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Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

⁵ See www.enda.sn

⁶ See www.panoscaribbean.org/main.html