



EDITORIAL

The effectiveness of the Adaptation Fund

by *Smita Nakhooda and Nella Canales Trujillo*

The Adaptation Fund piloted new approaches to delivering climate finance. The Fund is capitalised, in part, through a 2% levy on Certified Emission Reductions (CERs) from the Clean Development Mechanism (CDM), which was intended to provide a more “predictable” source of finance than continued dependence on the willingness of developed country Parties to make voluntary contributions. Developing countries have a majority representation on the governing board of the AF (69%), with dedicated seats to represent Least Developed Countries (LDCs) and Small



Island Developing States (SIDs). The Fund’s pioneering “direct access arrangements”, it was hoped, might reduce the costs and complexities of accessing international funds, as well as strengthening the own-

ership of developing countries of programs supported by international climate funds. These innovations were intended to help the fund have “visible and tangible results” that increase adaptation and resilience in developing countries.

But how effective has the Adaptation Fund been?

ODI recently reflected on the experience of the AF to date, considering the effectiveness of organisational dimensions of the AF (the processes by which it spends funds), as well as early evidence on the emerging outcomes of the projects and programs it has supported.

Transparent governance and an emphasis on learning

The legitimacy of the AF, particularly with developing country governments, is well documented. Over time, the Fund has established relatively productive decision-making processes, and has evolved to operate in a highly transparent manner. This is in part because of the keen interest that civil society stakeholders have taken in its operations. While there is limited formal space for civil society in its decision-making, informal models of co-operation have evolved. AF Board members now meet with civil society representatives in an official capacity as part of Board meetings. The insights that civil society organisations have been able to provide on program progress and likely impacts appear to have been valued by the fund’s administrators and board members. The fund has also established a precedent of working in partnership with a diversity of stakeholders at national level. Civil society organizations have worked with governments as both implementing agencies and project executing agencies. In turn, effort has been invested in developing guidelines for stakeholder engagement in developing programs and proposals for which funding is sought, in the hopes that inclusive processes will support a focus on the needs of the vulnerable. While there are several examples of private sector involvement in AF programs, on balance private sector actors have been less engaged in the operations of the fund as well as the programs that it has supported. There are opportunities, however, for more proactive engagement of private actors in efforts to support concrete adaptation. The fund has also placed significant emphasis on monitoring, evaluation and learning, having established a results framework before the first projects were approved.

Working with local institutions and strengthening institutions

All programs include a sub-national focus, and many programs seek to engage sub-national institutions. Many AF projects seek to direct funding to small projects through a variety of approaches, including support for micro-finance programs at community level. Early reporting suggests that in some cases, making such structures operational can be difficult. It will be necessary to monitor whether the approaches supported are scalable and replicable. Most programs include some efforts to strengthen underlying policies, laws and regulations that will strengthen adaptive capacity. Early evidence, however, suggests that the implementation of such components of projects is complex. In some countries, political developments have made it difficult to make rapid progress on these aspects of program implementation.

Strengthening ownership

The AF has sought to ensure that proposals received are well aligned with national policies and priorities and reflect wide stakeholder engagement. Direct access has been seen as an important means to strengthen ownership, signalling willing-

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ness to work in direct partnership with developing country based institutions. All implementing entities (whether national or multilateral), however, need to be able to work with executing institutions across governments and across the country to support a coordinated approach to using climate finance to meet national adaptation needs. The experience of the AF reflects the complexities of ensuring that adaptation initiatives are “owned” by all key national stakeholders.

Resource mobilisation is a substantial challenge

However, raising resources for the AF has been a substantial challenge. Revenues from monetisation of CERs have been far lower than originally hoped, as a result of falling carbon prices. The Fund is increasingly dependent on voluntary contributions from developed countries. Revenues from the CDM are likely to fall even further in the near term, given that CERs from LDCs are exempt from the adaptation levy, but the EU, which is the largest market for CERs, will now only buy new CERs from Least Developed Countries.

The Adaptation Fund facts and figures

Project level		
Full projects approved	29	Argentina, Uruguay, Senegal, Cambodia, Colombia, Cook Islands, Djibouti, Ecuador, Egypt, Eritrea, Georgia, Honduras, Jamaica, Lebanon, Madagascar, Maldives, Mauritania, Mauritius, Mongolia, Nicaragua, Pakistan, Solomon Islands, Sri Lanka, Samoa, Tanzania, Papua New Guinea, Turkmenistan, Mali, Guatemala
Project concepts endorsed	17	Argentina, Belize, Benin, Cook Islands, El Salvador, Fiji, Georgia, Guatemala, Madagascar, Mauritius, Myanmar, Niger, Paraguay, Peru, Samoa, Seychelles, Tanzania, Uruguay
Funding Decisions (full project)	USD 198.03 million	

Implementing Entities (IE) accredited

National (IE): Direct Access	15	Senegal, Jamaica, Uruguay, Benin, South Africa, Belize, Rwanda, Jordan, Kenya, Argentina and Mexico, Argentina, India, Costa Rica, Morocco, Chile
Multilateral	10	ADB, IFAD, UNDP, WFP, World Bank, WMO, IABD, ADB, BOAD, UNESCO
Regional	2	West African Development Bank (ECOWAS); Sahara and Sahel Observatory (OSS)

Resources in the AF Trust Fund

Obtained Through CERs Monetization	Status As of May 31, 2013, USD 188.24 million
Voluntary contributions by developed countries	Updated As of May 31, 2013, USD 134.50 million

Funding decisions	Total	MIE projects in the pipeline	MIE
Funding decisions for NIEs	USD 28.68 million	Guatemala	(UNDP)
Funding available for NIEs	USD 112.79 million	Cuba (UNDP)	(UNDP)
Funding decisions for MIEs	USD 150.13 million	Seychelles (UNDP)	(UNDP)
Funding available for MIEs	USD 3.63 million	Uzbekistan (UNDP)	(UNDP)
		Belize (WB)	(WB)
		Ghana (UNDP)	(UNDP)
		Mali (UNDP)	(UNDP)

The AF-Network thanks Sweden 100,000,000 SEK, Switzerland CHF 3,000,000 for their donations, the UK for their Pledge of Pound 10,000,000. It also encourages other wealthy nations particularly Finland, France, Japan, Germany and Norway to do so.

AF NGO Network & other 80 CSOs from North and South

Mr. X
Finance Ministry
Annex II

Subject: Request to developed countries to allocate resources to the Adaptation Fund

Dear Mr: X

The Adaptation Fund is one of the most innovative and unique climate funds, and has achieved impressive progress in just a few short years. Today, due to market forces that have diminished its intended revenue stream, the Adaptation Fund needs your support.

In just three years, the Adaptation Fund – established under the Kyoto Protocol – has been a pioneer in building a focused, effective, and transparent climate adaptation financing instrument that directly aids the most vulnerable developing countries. Its key successes include:

- accrediting 26 Implementing Entities, fifteen (15) of which are National Implementing Entities in Africa, Asia, and Latin America and the Caribbean ;
- approving 28 concrete adaptation projects and programmes in vulnerable developing countries;
- specifically addressing the needs of the most vulnerable communities;
- incorporating the active involvement of civil society;
- enabling direct access to adaptation financing for accredited National and Regional Implementing Entities (NIEs and RIEs) ;
- ensuring accelerated, simplified and effective project cycles;
- fostering capacity building in vulnerable developing countries, including those with little access to international adaptation funding;
- ensuring project ownership and responsibility at the country level;
- maintaining a high level of transparency, with the Fund now ranked as the most transparent climate fund by the International Aid Transparency Initiative (IATI);
- focusing on results, performance measurement, and use of results-based management to track key indicators, including gender mainstreaming; and adopting a knowledge management strategy that promotes lessons learned throughout the financing cycle, from accreditation through project design, proposal, and implementation.

Despite these important strides, the Adaptation Fund is facing serious financial constraints. Its main source of revenue – the sale of certified emission reductions (CERs/carbon credits) accrued through a two per cent levy on Clean Development Mechanism projects – has drastically diminished due to changes in the carbon market.

Revenues from sales of CERs dropped from US\$ 100 million in 2010 to US\$ 18 million in 2012, and continue to plummet. Forecasts for the entire period of 2013-2020, at current market prices of US\$ 0.16 per tonne, are for roughly US\$8 million.

Without additional contributions, the Adaptation Fund will not be able to meet the growing need for adaptation financing in vulnerable countries.

The Adaptation Fund Board has set a fundraising goal of US\$ 100 million by the end of this year. Reaching this goal is critical – it will ensure that vulnerable developing countries will continue to benefit from the innovative and much-needed features of the Fund.

We are urging significantly higher contributions for the Adaptation Fund, on the order of US\$ 150 million, to be pledged by COP19 in Warszawa at the latest. This funding would provide more secure prospects for the next year at least.

The AF NGO Network and 80 other NGOs all over the world therefore strongly encourage developed countries to allocate new and additional financial resources to the Adaptation Fund today, sending a strong signal of support for this critical climate adaptation funding instrument, and following the good example of other countries that have recently done so.

► For any questions contact: Alpha Kaloga kaloga@germanwatch.org

Summary of decisions adopted by the Adaptation Fund Board at its 21st meeting

by Alpha O. Kaloga (*Germwatch*)

From 3 - 4 July 2013 the Adaptation Fund Board (AFB), the governing body of the AF, convened its 21st meeting in Bonn. As usual prior to each AFB meeting, its two committees– the Ethics and Finance Committee (EFC) and the Project and Programme Review Committee (PPRC) met two days prior to the plenary meeting to discuss items of agenda that are assigned to their responsibility.

With respect to the accreditation of implementing entities, be it national, regional or multilateral, the AFB took note of the report of the Accreditation Panel, which according to its mandate is in charge of examining the application of implementing entities against the Fund's fiduciary standard. After due consideration whether the documents submitted by the applicants fulfil the accreditation requirement, the panel recommended to the AFB to accredit the Sahara and Sahel Observatory (OSS)¹ as Regional Implementing Entity (RIE). It did not recommend two National Implementing Entities (NIEs) applications. The AF later on followed this recommendation, approving the RIE. The OSS now is the second RIE accredited by the Board, after the Banque Ouest Africaine de Developpement (BOAD)². The other accreditation applications were not strong enough to meet the AF set fiduciary standards, necessary to manage, and implement projects funded by the AF.

The PPRC presented to the AFB the report of its meeting and made recommendation regarding the funding decision of projects and programmes submitted to the AF as well as issues related to the implementation of projects funded by the AF.

To sum up, seven proposals (five fully developed -and two concepts proposals) were submitted to the AF Secretariat seeking funding at this particular meeting. Following recommendation of the PPRC, the AFB decided to endorse the two project concepts submitted by the South African National Biodiversity Institute (SANBI), acting as a National Implementing Entity (NIE).

The first project concept seeks to reduce climate vulnerability and increase the resilience and adaptive capacity of rural and peri-urban settlements and small-scale farmers in productive landscapes. The second concept submitted by SANBI is a small grant facility programme, which aims at facilitating and enabling local level responses to climate change.

This facility has the potential to lend out a new dimension to the whole debate around direct access, as the facility will allow devolution of implementation to the ground, but also to endow SANBI with funding and oversight decisions. SANBI seems to be committed to allow grassroots organisations to decide on their own which urgent adaptation actions are in their point of view of utmost importance. For us, this is an interesting involvement of the whole direct access modality. Direct access modalities should not be reduced on direct access of national institution to international fund, but rather as a modality that strives to devolve to the extent possible not only the funding decision, but also the execution function to the ground level.

In addition to those two concept proposals from South Africa, the AFB has approved one fully-developed project. The project has been submitted by the government of Mali, through UNDP acting as MIE. The Mali proposal will not be directly funded, but put in the pipeline hanging on until funding for MIE projects will be available.

Background to the purpose of setting approved projects in the pipeline, is the intent by the AFB to ensure that the cumulative budget allocation for funding projects submitted by NIEs should not exceed 50 percent of the total funds available for funding decisions at the start of each session. This was required to earmark funding for NIEs and ensure that the AF pursues its innovative features of promoting and operationalising direct access. Currently, eight projects (including Mali's) approved projects are in the pipeline. The rationale behind this critical decision was motivated by the fear felt by the AFB members that without any action taken by the Board, there is a likelihood that most of the funds held by the AF Trust fund will be used for MIE-implemented projects. Given the set pipeline, the emerging question is why despite the 15 accredited NIEs so far in contrast to 10 accredited MIEs, the approved projects and programmes to be implemented by NIEs lag behind (4 of 29) those of MIEs. What are the reasons of reluctance of NIE to submit projects to the AF or what are the difficulties faced by NIEs, when it comes to submit good projects that meet the project funding criteria set by the AF?

These pertinent questions were raised couple of times in both the Accreditation Panel and the PPRC meeting. There was common acknowledgment in both groups that assisting NIEs in both the accreditation process and the formulation and preparation of good proposals is of vital importance.

On the other hand, some interesting questions, emanated from the discussion among AFB members with respect to the status of the MIE project pipeline, i.e. how to deal with projects, once the necessary resources for funding have been then accumulated, once the project has been approved and awaiting in the pipeline more than one or two years. Are those projects after some years still up to date or do they need to be updated, as to truly address the rapid changing impacts of climate change. As a result, the Board decided to request MIEs in line to receive funding, to reconfirm the validity of their proposal and the adequacy of requested funding, within 60 days, once resources become available. In addition, the Board requested the PPRC to discuss options for funding the pipeline at its 13th meeting, following the suggestion raised by some members, to explore external funding for projects in the pipeline and the need for raising awareness among climate finance donors that some fully-developed projects have been approved and urgently need to be funded.

Among the issues that emerged in this discussion and concerns expressed by some members, the Board decided to launch a programme to support readiness activities for direct access as well as for submissions of high qualitative projects. Accordingly, the AFB requested the secretariat to prepare a document with options for such a programme to be discussed at its 22nd AFB meeting. These decisions could be perceived as a trend-setter, as they will open further perspectives to the AF and generate lessons learnt around readiness activities and enabling environment that are on the top of the agenda of the Green Climate Fund (GCF).

With respect to issues discussed in the EFC, it is worthwhile mentioning that the Board adopted an official disclosure and licensing policy, along with an implementation schedule envisaging the publication of IATI compliant data by September 2013. This decision articulates once again the willingness of the AF to foster its position as a transparent fund among the multilateral climate finance institutions assessed³.

¹ <http://www.oss-online.org>

² <http://www.boad.org>

³ The latest rankings issued by Publish What you Fund's Global Campaign for Aid Transparency put the Adaptation Fund "first among the climate finance institutions assessed" and 17th of 72 aid agencies overall. See <https://adaptation-fund.org/media/aid-transparency>

Furthermore, the Board considered the application of environmental and social safeguards, to avert negative repercussions from AF funded projects or programmes. Accordingly, the Board decided to launch a public call for comments on the proposal by interested stakeholders by September 23, 2013, requesting the secretariat to incorporate the views received into a revised proposal and to draft a suggestion for operationalization of the aforementioned policy for the next AFB meeting.

From the perspective of the AF NGO Network, the regular dialogue of civil society with the AFB member was as usual one of the highlights of the Board meeting. At this dialogue, members of the AF NGO Network presented a letter addressing wealthy nations, signed by more than 80 NGOs from North and South, requesting those countries in the situation to do so, to pledge more resources to the AF. Moreover the AF NGO Network presented its talking points, which summarise key observations of civil society on issues to be considered at the AFB meeting. The Board members thanked the CSO for all the efforts, but particularly for the workshop organised a day before, which in their view was fruitful and instructive.

Background Information on the AF

by Alpha O. Kaloga (Germanwatch)

The AF is a fund under the Kyoto Protocol, which was established to assist in vulnerable developing countries Parties to the protocol to finance concrete adaptation projects and programmes. In other words, the AF is meant to implement urgent and innovative solutions that reduce the economic and environmental pressure caused by climate change.

How it does operate? Because of its uniqueness such as the way of accessing to its resources, revenue generation or sources of finance, governance and legal structure, the adaptation has received considerable attention in the international climate community⁴.

Direct Access: The AF is the first fund among all the international funds, who implemented direct access in the climate finance. Currently the GEF is in the process of finalisation of the accreditation process of new institutions to serve as GEF project "GEF Project Agencies". The GEF Project Agencies are meant to have direct access to its resources⁵. The Green Climate Fund (GCF) is currently also discussing its access modalities, which will allow the GCF to channel its resources through direct and enhanced access⁶.

Direct access is the manifestation of converting into reality the notion of capacity building, by which developing countries carry their own actions through their own institutions. Direct access is actually the core innovative feature of the AF.

In the context of the AF, it describes the finance modality, which simplifies and accelerates the process by which resources flow to developing countries through national institutions. Specifically, the AF Board offers two avenues to access to its resources. Accordingly, eligible developing countries can decide to use the detour through using the service of Multilateral or Regional Implementing Entities MIEs -intermediate access- or nominate one domestic institution as National Implementing Entities. All entities, national, regional as well as multilateral have to meet the fiduciary standards and sound management set by the AFB. Such fiduciary standards constitute the credibility of the Board and warrant that the money will deliver the result for which it has been disbursed. The accredited NIEs are in charge of managing

and implementing of the project and programme proposals from their countries, and will be the direct recipients of funding. So far 15 NIEs (see table above) have been authorized to receive money from the Adaptation Fund.

Funding Modality: AF is not a traditional development assistance driven fund, but rather a demand driven one, financed through an innovative funding mechanism. Fund revenues are obtained primarily from a 2 percent share in the proceeds from the Kyoto Protocol's Clean Development Mechanism (CDM) project activities. So far, the Trustee - the World Bank - has generated revenues of USD 188.24 million since the start of the CER sales monetisation program in May 2009. Estimates of funds available up to 2020 from the monetisation of CERs for the Adaptation Fund are about \$ 152 million by 2020⁷.

Governance Structure: AF is governed by the AF Board, which works under the authority of and accountable to the Conference of the Parties. Assisted by a secretariat, the AF Board is the governing body of the AF. It is in charge of implementation strategic policies and guidelines as well as the oversight of the projects. It is comprised of 16 members and their alternates, in an overall majority of developing countries. The working spirit of openness and constructiveness within the Board has been reflected in the decision making process, which was so far taken by consensus.

Special Focus: on the Needs of the Most Vulnerable People:

The AFB has adopted the strategic priority of giving special attention to the particular needs of the most vulnerable communities⁸, through a comprehensive consultative process, including the list of stakeholders consulted, with particular reference to vulnerable groups, including gender considerations⁹. This is important to ensure ownership and sustainability of the project funded by the AF.

Transparent information disclosure and working mode

The Adaptation Fund has been operating and promoting transparency and accountability. Therefore it has taken significant steps to ensure that the public can easily access information regarding its activities. All Board meetings are open to observers, and are broadcast live on the Adaptation Fund website. However, the minutes are not recorded and made available for public after the meetings. In addition, the board allows public to comment proposals submitted to the AF for funding, before consideration of the given proposal, as to allow a broad range of stakeholders to express their concerns and some shortcomings of the proposal sent to the AF.

Recently, in order to complete the activities needed to achieve full compliance with the International Aid Transparency Initiative (IATI) Standard, the Board adopted an official disclosure and licensing policy, along with an implementation schedule envisaging the publication of IATI compliant data by September 2013. Last but not least, the Board also conducts a regular dialogue

⁴ GCCA UNDP 2010: Adaptation Fund: Exploring the gender dimensions of climate finance mechanisms, November 2010 by the United Nations Development Programme. <http://www.adaptationlearning.net/sites/default/files/Adaptation%20Fund%20final%202010.pdf>

⁵ <http://www.thegef.org/gef/sites/thegef.org/files/documents/document/Ac-creditation.pdf>

⁶ http://www.gcfund.net/fileadmin/00_customer/documents/pdf/B-04_05_BMF_Access_Modalities_11Jun13.pdf. Or See: para 47 of the Governing Instrument of the GCF

⁷ Joint report by the secretariat and the trustee on the status of the pipeline <https://www.adaptation-fund.org/content/joint-report-secretariat-and-trustee-status-pipeline-1>

⁸ Revised Instructions for Preparing a Request for Project/Programme Funding Chapter B p.5 <http://www.adaptation-fund.org/sites/default/files/REVISED%20INSTRUCTIONS%20FOR%20PREPARING%20A%20REQUEST%20FOR%20PROJECT%20FUNDING.pdf>

⁹ *ibid.* Chapter H p.7

with civil society in conjunction with the Adaptation Fund Board meeting. During the CSO dialogue, CSOs have been seized with the opportunity to give their views and inputs on documents or issues on the agenda of each meeting. However, there is so far no active role reserved to CSOs as to propose agenda or take the floor when it comes to discuss specific issues critical in their views.

Summation of AF NGO Conference July 1, 2013

July 2, 2013 Adaptation Fund Board Meeting

by Petre Williams-Raynor Panos (Caribbean)
and Alpha O. Kaloga (Germanwatch)

Well over 60 people turned out to the civil society conference to share on the topic: 'Adaptation to climate change for the most vulnerable: Lessons learnt from the Adaptation Fund and Beyond'.



From left to right: Bruno Bandao, TI, Bettina Koelle (Indigo), Hans-Olav Ibrekk, Chair of the AFB, Alexander Froede, GIZ

More than 15 speakers presented on a variety of subjects – from "Creating climate resilient food security for the poor: Key challenges, options and implications for adaptation finance" to "Climate change adaptation for the urban poor: Lessons learnt from and for the Adaptation Fund" and "Direct access in the AF and GCF: Enhanced ownership for better results or increased risks".

Interesting case studies from both an organizational (World Food Programme, ICLEI and UN University) and a country point of view (Cambodia, Nepal, and Tanzania) were shared with a view to arriving at some lessons learnt.

Through their lens, the AF NGO Network found itself as the beneficiaries of stimulating information that can serve everybody in their respective project management organisations and countries.

At the end of the day, there were indeed, a number of lessons to inspire immediate action or, at the very least, serve as inspiration for next steps when it comes to issues surrounding direct access financing for climate change and adaptation and its linkages to things like food security.

Key messages:

- There is the need for an approach that could give people the opportunity to make good choices about their food security, and specifically, through supported projects that show them what, when and where to plant, the crafting of early warning systems and early season forecasting.

- There is the need for accountability structures/mechanisms to ensure that local actors benefit from projects in actuality and that capacity building actually takes place.
- Effective collaboration requires ongoing communication, review, and adjustment of roles and responsibilities, certainly when it comes to the emergence of NIEs and the subsequent implementation of their projects, once approved, in this instance by the AFB.
- Collaborative approaches require considerable time and investment.
- Joint approaches require attention to both vertical and horizontal levels of collaboration. Multi-stakeholder collaboration requires ongoing negotiation and trade.
- The AF has provided important lessons from which other funds, notably the GCF can itself take lessons from. This goes beyond the architecture for direct access financing matters, e.g. accountability and transparency.
- The AF itself has some important lessons that it can learn from continued, direct engagement with local level stakeholders through civil society networks about how to improve its own processes while adjusting to meet the real needs of developing countries.

Urban Poverty, Adaptation Needs and Measures: The Case of Adaptation Fund Project in Dar Es Salaam – Tanzania

by Fazal Issa ForumCC Tanzania

Dar es Salaam is the largest city of Tanzania with a population of more than 4 million people. It is a coastal and tropical city with average temperatures between 25°C and 35°C. 70% of its population lives in unplanned settlements and 50% of the residents of these informal settlements live on an average income of less than US\$1/day.

These facts are an important starting point for discussing the city's vulnerability to climate change as adaptation responses/strategies need to take these issues into account in responding to the threats posed by climate change and to meet the needs of low-income urban residents.

Dar es Salaam is susceptible to a wide range of climate threats, which include sea-level rise and coastal erosion, flooding, temperature increase, drought and water scarcity and the disruption of hydro-electricity generation. These are exacerbated by poor socio-economic and environmental conditions caused by low levels of economic growth, mismanagement of the process of urbanization and inadequate social services.

As a result of such threats, there are substantial adaptation needs and these can fall under three broad areas, which are social, scientific and infrastructural change:

- Social changes for adaptation are primarily related to education and capacity building. There is a wide spread of awareness on climate change at the central government level (led by Vice President's Office-Division of Environment (VPO-DoE) but this is seldom transmitted to the local government and community level.
- Scientific change for adaptation: The awareness issues need



Dar es Salaam floods in 2011

to be supported by investment in scientific information. The detailed implications of climate change including detailed estimates of temperature change, sea-level rise, and changes in precipitation for Dar es Salaam are not well known, yet require elaboration if they are to be used as the basis for planning.

- **Infrastructural change:** Substantial investments are required in infrastructure for adaptation in Dar es Salaam as many of the threats faced are from the sea. Adapting to future rises in sea-level requires a variety of responses including 'hard' engineering (construction of sea walls), 'green' engineering (protection and expansion of mangroves), and 'soft' engineering (social responses such as managed retreat). Infrastructures are also required to reduce the incidence of flooding: the pipes and channels for diverting storm-water to the sea were built in the 1950s and are inadequate for current demand. Also, new buildings need to be constructed in such a way that they can cope with calamities, maintain cooler temperatures in the face of warming and that simultaneously use less energy.

The AF Project in Tanzania was approved in December 2011 and launched in October 2012. The 5-year project worth US\$ 5 million is implemented in two districts of Dar es Salaam (Ilala and Temeke) and aims at 'reducing vulnerability of livelihoods, ecosystems, infrastructure and economy in Tanzania through implementation of concrete and urgent adaptation measures'.

The project was divided into 3 components which are:

- **Component 1:** Addressing climate change impacts on key infrastructure and settlements. This focuses on 'hard' measures which are construction, rehabilitation and maintenance of coastal infrastructures.
- **Component 2:** Ecosystem-based integrated coastal area management. This focuses on 'green' measure which is rehabilitation of coastal eco-system for climate resilience.
- **Component 3:** Knowledge, coastal monitoring and policy linkages. This focuses on building on existing and available knowledge, scientific evidence and technical studies so as to generate policy-relevant knowledge.

Therefore, if well implemented, the project is envisaged to reduce adverse impacts of sea level rise and floods on coastal infrastructures and settlements. It also meant to rehabilitate coastal ecosystems and implement and advance knowledge of climate impacts and adaptation measures.

To achieve such outcomes, the involvement of vulnerable communities in those project sites is very important and as ForumCC Tanzania is partner of the AF NGO Network, it will be crucial to facilitate such involvement of the vulnerable communities in the whole process as well as better implementation of the project.

Direct Access for the most vulnerable – a new approach to be tested in South Africa

by Bettina Koelle Indigo Development and Change South Africa

The AF is a UN mechanism supporting adaptation projects focusing on the most vulnerable groups through a direct access mechanism. However, it is often difficult to clearly define the term "direct access" and direct transfer to a national institution does not necessarily imply that vulnerable groups in the respective country will benefit directly from these funds. The South African NIE SANBI is exploring new avenues to ensure enhanced direct access of vulnerable groups to access adaptation funding. In order to prepare the project concept, SANBI held a consultative stakeholder workshop in October last year to determine strategic directions for the formulation of project ideas to be submitted to the AF. One clearly emerging direction was the need for small scale funding to support adaptation strategies on the ground.

A great variety of very interesting concept notes were submitted following the initial call for proposals from SANBI that demonstrated the range of potential adaptation projects across the country and the need for effective funding mechanisms to support vulnerable groups to adapt to a variety of stressors – including climate variability and change. In order to ensure, that identified projects would be eligible for funding by the AF, it was crucial to consider the criteria of the AF, the South African national funding priorities (as identified in the consultation process and national policy) and specific technical requirements of the AFB.

The selection process was challenging – and was supported by the South African NIE Steering Committee with representation of SANBI, DEA, National Planning Commission, Treasury and representation of Civil Society through the AF NGO Network.

The NIE team managed to put together two concept notes that could become South African and international pilots for innovative adaptation projects:

- **A Small Grant Facility for Adaptation projects in the Mopani and Namakwa District municipalities** (Requested funding approx US\$ 2 Million): an innovative approach to promote direct access to adaptation funding, and
- **The Greater uMngeni Catchment Project** (Requested funding approx US\$8 Million): Focusing on an integrated approach to adaptation lead by local government.



Vulnerable groups are often innovative, but lack the means to put their ideas for adaptation into practice. A small grant facility can support these creative adaptation processes.



Sustainable livelihoods must consider local knowledge, social system and scientific modeling. Integrated solutions go far beyond technical assistance to adapt to climate change.

Both project concepts have been approved by the AFB and are now developed into full proposals. This process will include further stakeholder consultations to strengthen the final proposals. It is envisaged to submit the proposals for - hopefully - final approval in 2014.

Direct access to adaptation funding is a crucial way to support most vulnerable communities in their self-determined efforts to develop adaptation strategies. However, ensuring that the local capacity is developed to develop and implement adaptation projects is often challenging. Another difficulty is to develop a small grant mechanism that will ensure that the largest share of the funding actually reaches the most vulnerable communities – and is not spent on expensive project management mechanisms.

The development of the full project concepts will include further stakeholder development processes, including participatory processes, actively involving vulnerable groups in the project development. It is a challenging process – however, maybe this project will become a new pathway for direct access adaptation funding.

AF NGO Network Regional Workshop in Central American

by Evelyn Rodriguez, Fundación Vida

The “Regional Workshop of Central American NGOs on the Adaptation Fund” took place in the city of Tegucigalpa, Honduras on May 29 and 30, 2013. The purposes of this workshop were to publicize the AF NGO Network as well as to present the AF, its operation and display its future prospects. Also the meeting



Field visit in project areas in Tegucigalpa (Honduras)

strived to increase advocacy capabilities with respect to the funding for adaptation in Central American countries and share the experiences and lessons learned with the AF in Honduras, Nicaragua and Jamaica.

The NGOs participating at the workshop were Panos Caribbean (Jamaica), CEDARENA (Costa Rica), ANCON (Panama), Fundación Solar (Guatemala), PRISMA (El Salvador), GWP Centroamerica, Germanwatch (Germany, host) and Fundación Vida (Honduras, host). Within the agenda of the workshop the participants were taught about the current situation regarding climate finance mechanisms and the different modalities to access them. This kind of information is important to NGO's and civil society organizations, especially in Central America. Knowing this would better prepare them to understand the development of the negotiations and maybe to apply for funding in the framework of the mechanisms. In addition, they were introduced to the experience of Panos Caribbean with the AF and the support they gave to the Institute of Planning of Jamaica on its NIE accreditation process for direct access of funds of the AF.

Likewise, during the workshop a glance over the current projects being implemented in Nicaragua and Honduras was given. Both projects were presented according to the case studies submitted to the AF NGO Network last year by Fundación Vida and Humboldt Center (Nicaragua). However, since the workshop took place in Honduras, the participants had the opportunity to deepen on the Honduran project by visiting some of the target areas, talking to the beneficiaries and participating in some activities of the project.

Finally, all organizations looked at the AF NGO Network as an opportunity to increase their advocacy capacities towards adaptation in their countries and the region. The representatives of the non-members organizations of the network were invited to check out all the details about the AF NGO Network at the website, share everything learned at the workshop with their organizations' boards, and to apply to become members of the network.

More information about the AF NGO Network on:

www.af-network.org

This website 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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Supported by:

This project is part of the International Climate Initiative.



Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

based on a decision of the Parliament of the Federal Republic of Germany