

A  
*Quick*  
*Guide* to  
Climate Change  
Adaptation Funds

**UPDATED**  
May 2017



**USAID**  
FROM THE AMERICAN PEOPLE

**Adaptation Finance**  
*Knowledge Series*

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## ADAPTATION FINANCE KNOWLEDGE SERIES

*Since 2011, the USAID Adapt Asia-Pacific Project has been helping countries develop bankable climate change adaptation projects and improve access to related funding. These experiences, published in this USAID Adapt Asia-Pacific Adaptation Finance Knowledge Series, are based on work with government officials, multilateral institutions, regional organizations, consultants and other experts. The Project acknowledges the contribution of all these institutions and individuals.*

*For governments to effectively manage the impacts of climate change, they must be able to both access and efficiently utilize the international funds available, while also mobilizing domestic and private resources. As the second publication in the USAID Adapt Asia-Pacific Adaptation Finance Knowledge Series, this Quick Guide is meant as a tool to help countries navigate international climate change adaptation funds.*

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**Disclaimer:** This publication was produced for the United States Agency for International Development (USAID) by AECOM. The authors' views expressed in this document do not necessarily reflect the views of USAID or the United States Government.



# A QUICK GUIDE TO CLIMATE CHANGE ADAPTATION FUNDS

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The USAID Adapt Asia-Pacific *Quick Guide to Climate Change Adaptation Funds* is an easy to follow collection of 10 multilateral and bilateral climate funds and initiatives currently available for financing adaptation activities in developing countries.

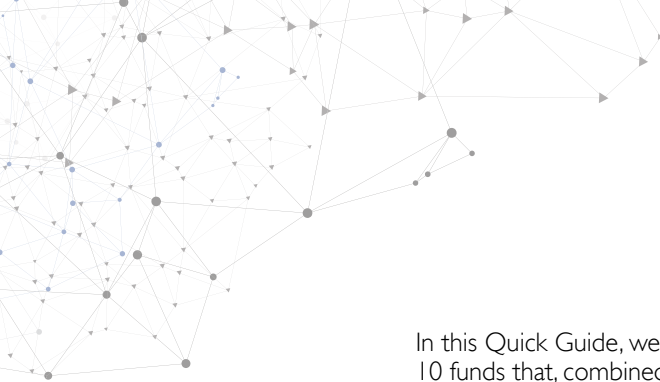
Unlike other guides that provide lengthier descriptions, we have presented here only the need-to-know, essential bits of information. This Quick Guide provides key facts about individual funds, such as *eligibility criteria*, target areas, and, importantly, the mechanisms that will ultimately help you gain *access and approval*.

Developed by our team of climate finance experts, the Quick Guide includes “Tips by USAID Adapt Asia-Pacific” with bite-size, handy information on how to get your projects funded. These tips are based on our on-ground experience working with country officials, implementing agencies and fund managers.

Since 2011, USAID Adapt Asia-Pacific has helped 13 countries in the Asia-Pacific region design over 30 bankable projects for adaptation financing. These include a range of projects from small-scale community adaptation measures to large regional initiatives accessing funding from domestic and international sources.



Children play in the mangroves on the northern coast of Timor-Leste in April 2015.  
USAID Adapt Asia-Pacific/Ficcadenti



In this Quick Guide, we have handpicked the following 10 funds that, combined, have provided the largest volume of adaptation financing to date. These include five multilateral funds and five bilateral funds (◊), with two allowing for direct access (\*):

- Adaptation Fund\*
- Global Climate Change Alliance◊
- Green Climate Fund\*
- International Climate Fund◊
- International Climate Initiative◊
- Least Developed Countries Fund
- Nordic Climate Facility◊
- Nordic Development Fund◊
- Pilot Program for Climate Resilience
- Special Climate Change Fund

To date, money from these funds has been spent on a variety of sectors in Asia-Pacific, including disaster prevention, agriculture, coastal zones, water and sanitation, and infrastructure.

International funds, however, provide only a piece of the adaptation financing puzzle. The current funding available does not meet the projected needs for adaptation in developing countries. Countries also need to mobilize the additional domestic and, especially, private sector funds that are necessary.

But while more financial resources are still critically needed to meet growing adaptation needs, there is still quite a lot of money left in the pot. To get that money, you need to know how the finance flows from the climate funds to the implementing partners and to the countries; understanding that is the critical first step.

We hope this Quick Guide will take that important step with you.



# Adaptation Fund

## ABOUT

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The Adaptation Fund is a multilateral fund which was established under the United Nations Framework Convention on Climate Change and its Kyoto Protocol. Established in 2001, the Adaptation Fund finances concrete adaptation projects and programs in developing countries which are particularly vulnerable to the adverse effects of climate change.

The Adaptation Fund is financed partly by 2 percent of the proceeds from the Kyoto Protocol's clean development mechanism (CDM), which allows for emissions offsetting through the purchase of greenhouse gas reduction credits coming from "clean" projects in developing countries. Other sources of funding for the Adaptation Fund include voluntary financial pledges by donor governments. The World Bank currently acts as the trustee for the Adaptation Fund and the Global Environment Facility provides secretariat services.

## TARGET AREA

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There are no prescribed sectors or approaches; however, to date, the Fund has supported climate change adaptation in the following sectors: water resources management; land management; agriculture; disaster risk reduction; infrastructure development; fragile ecosystems, including mountainous ecosystems; and integrated coastal zone management.



**Focus**  
Adaptation



**Method of Support**  
Grants



**Eligible Countries**

All developing countries that are Parties to the Kyoto Protocol



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

### TIPS

**by USAID Adapt Asia-Pacific**

There is available money in the Adaptation Fund, particularly for direct access. Therefore, countries need to continue working towards accreditation. This means strengthening fiduciary standards and improving transparency.

Funds Pledged

639.10 USD million

Funds Received

631.87 USD million

Funds Approved

394.44 USD million

Funds Disbursed

233.27 USD million

**Source:**

The World Bank Group – Financial Intermediary Funds. "Adaptation Fund Trust Fund Financial Report." Last modified December 31, 2016.

Currently only 3 national implementing entities have been accredited in Asia-Pacific. Proposal submission [materials and templates](#) can be found on the fund's website.

## HOW TO ACCESS THE FUND

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Though not an easy process, multilateral, regional, and national organizations can apply for accreditation as implementing entities by the Adaptation Fund Board. Once an organization has received accreditation, it can submit project proposals for approval by the Board. A proposal must be submitted at least nine weeks prior to the Fund's Board meeting.

The Adaptation Fund imposes a USD 10 million cap in total per country. In addition, up to half of the Fund's total resources can be accessed by multilateral implementing entities, while the other half is reserved for direct access by national implementing entities.

## APPROVAL PROCESS

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Regular adaptation project and program proposals undergo either a one-step or a two-step approval process.

A small-sized project, one requiring a contribution from the Adaptation Fund of less than USD 1 million, requires a one-step approval process where the implementing entity directly submits a fully-developed project proposal to the Adaptation Fund Board for approval.

For projects larger than USD 1 million, a two-step process is necessary. In this case, the Implementing Entity must first submit a brief project concept, which would be either endorsed, not endorsed, or rejected by the Board. If endorsed, a second step would then require that the implementing entity submit a fully-developed project or program document to be similarly approved, not approved, or rejected by the Board.

# Global Climate Change Alliance

## ABOUT

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The Global Climate Change Alliance (GCCA) is an initiative of the European Union. Its overall objective is to build a new alliance on climate change between the European Union and the poor developing countries that are most affected and have the least capacity to deal with climate change.

The GCCA has not set up a new fund or governance structure, but rather works through the European Commission's established channels for political dialogue and cooperation at the national and international levels.

## TARGET AREA

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The GCCA provides support for five priority areas: integrating climate change into poverty reduction efforts; supporting climate change adaptation; reducing emissions from deforestation; enhancing participation in clean development mechanisms; and promoting disaster risk reduction.

The GCCA also supports regional programs to complement existing country programs in areas such as capacity building, applied research and technical assistance, and country-to-country experience sharing.



### Focus

Adaptation, Mitigation, REDD+



### Method of Support

Grants



### Eligible Countries

Least Developed Countries and Small Island Developing States that are recipients of official development assistance



### Website

[www.gcca.eu](http://www.gcca.eu)

## TIPS

### by USAID Adapt Asia-Pacific

Getting in touch with and speaking to your local European Union contact on your priority climate change projects, particularly in the agricultural sector, is a good starting point for understanding and accessing their funding sources. You could also make contact with relevant regional organizations implementing



Funds Pledged

326.15 USD million

Funds Received

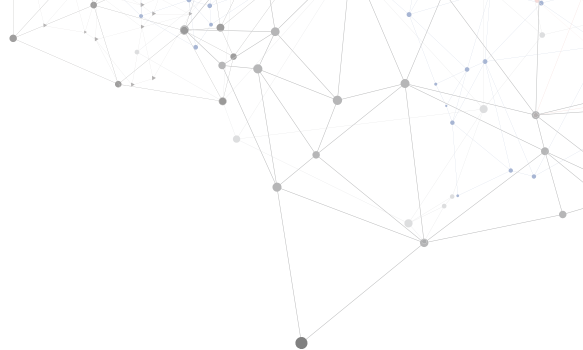
326.15 USD million

Funds Approved

347.07 USD million

**Source:**

*Climate Funds Update – the latest information on climate funds. "Status of the funds table." Accessed October 2016.*



## HOW TO ACCESS THE FUND

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Governments of Least Developed Countries and Small Island Developing States interested in receiving GCCA funds can send an official expression of interest to the European Union delegation in their home country. The European Union Delegation, in collaboration with the European Commission's headquarters, will check if the partner country meets the selection criteria for GCCA funding and whether funds are available.

Funds are allocated to countries based on availability of financial and technical resources and on population figures. If there is no funding, countries may be put on a 'waiting list' until new funding becomes available.

## APPROVAL PROCESS

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An assessment is made of each country's vulnerability to climate change, in particular the risks related to floods, droughts, storms, sea level rise, glacier melting and other impacts, taking into account the proportion of the population at risk. The importance of the agricultural sector, which is regarded by the GCCA as one of the most sensitive to climate change, is also included in this assessment. The assessment incorporates an estimate of the country's adaptive capacity using the United Nations Development Programme Human Development Index. Eligible countries are also assessed on how engaged they are in regional and international dialogue on climate change.

GCCA programs in Asia-Pacific. They include: the Mekong River Commission (MRC); the Secretariat of the Pacific Community (SPC); the Secretariat of the Pacific Regional Environment Programme (SPREP); and the University of the South Pacific (USP).

# Green Climate Fund

## ABOUT

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The Green Climate Fund (GCF) was adopted as a financial mechanism of the UN Framework Convention on Climate Change at the end of 2011. Given the urgency and seriousness of climate change, the GCF seeks to make a significant and ambitious contribution to combating climate change, including attaining the mitigation and adaptation goals set by the international community. It also seeks to promote a global paradigm shift towards low-emission and climate-resilient development pathways. Over time the GCF is expected to become the main multilateral financing mechanism to support climate action in developing countries.

## TARGET AREA

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There are no prescribed sectors or approaches. The GCF will finance activities to both enable and support adaptation, mitigation (including REDD+), technology development and transfer (including carbon capture and storage), and capacity building.

The GCF will support countries through both project-based and programmatic approaches that are in line with national strategies and plans (such as a low-emission development strategy, Nationally Appropriate Mitigation Actions, National Adaptation Programme of Action, National Adaptation Plan, and others).



### Focus

Adaptation, Mitigation



### Method of Support

Grants, concessional loans and other financial instruments yet to be determined



### Eligible Countries

All developing countries that are Parties to the UNFCCC



### Website

<http://www.greenclimate.fund/home>

## TIPS

### by USAID Adapt Asia-Pacific

As the biggest player in town, developments within the GCF will likely have implications on all other UNFCCC funding sources, including the AF and the Global Environment Facility funds. While funding modalities are still under discussion, unlike the AF, there is currently no limit on the amount of funds a country can access.

Funds Pledged

10,300 USD million

Funds Received

4,700 USD million

Funds Approved

1,600 USD million

**Source:**

Green Climate Fund. – the latest information on portfolio. Accessed March 9, 2017.

Entities already accredited to the AF may also get on a fast-track route for GCF accreditation.

GCF provides templates for [concept notes](#) and [funding proposals](#), which can be found on its website along with a number of other useful guidelines.

## HOW TO ACCESS THE FUND

The GCF works through a diverse range of partners. Like the Adaptation Fund, the GCF will give recipient countries direct access to funding through accredited national and sub-national implementing entities and intermediaries. Only those government agencies, NGOs, national development banks, and others that can meet the rigorous fiduciary standards of the GCF will get accredited to directly receive and implement funding.

Alternatively, countries can access funding through accredited international entities, such as multilateral development banks, UN agencies, and regional organizations like the Secretariat of the Pacific Regional Environment Programme. Accredited entities to date include the Asian Development Bank and the United Nations Development Programme.

Unique to the GCF, private sector entities can be accredited as implementing entities or intermediaries, through the Fund's Private Sector Facility – providing another avenue for countries to access the funds.

## APPROVAL PROCESS

The GCF issues calls for funding proposals. Only those that are cleared by a national designated authority or a country's focal point can be submitted. The GCF Technical Advisory Panel reviews them to ensure compliance to its environmental and social safeguards, and gender, financial, and other relevant policies and requirements.

The GCF approves proposals based on impact; paradigm shift and sustainable development potential; country needs; coherence to national climate strategies; effectiveness and efficiency, including ability to leverage additional funding.

# International Climate Fund

## ABOUT

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The International Climate Fund (ICF) was set up by the United Kingdom (UK) government to provide GBP 3.87 billion (over USD 6 billion) between April 2011 and March 2016 to help developing countries tackle climate change and reduce poverty. The ICF supports activities that reduce greenhouse gas emissions by promoting growth and resilience through good development. It also helps governments avoid long-term lock-in to high carbon investments, as well as tackle deforestation.

ICF is managed by three UK government agencies: the Department of Energy and Climate Change (DECC); the Department for International Development (DFID); and the Department for Environment, Food and Rural Affairs (Defra).

## TARGET AREA

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The ICF aims for a balanced allocation of funding between adaptation (50%), low-carbon development (30%) and forestry (20%).

For adaptation, the ICF supports activities in agriculture, disaster risk reduction, water resource management, infrastructure and urban investments, coastal zone and ecosystems management, social protection, and health systems.

The ICF finances projects that show how low-carbon, climate-resilient growth is not only feasible, but desirable; support global climate change negotiations; and recognize that climate change offers new opportunities for private sector partnerships, innovation, and sustainable development.



### Focus

Adaptation, Mitigation, REDD+



### Method of Support

Grants



### Eligible Countries

Broad eligibility: funding for adaptation is for poor and vulnerable countries, including least developed countries, small island states and Africa; funding for mitigation may include some middle-income countries



### Website

<https://www.gov.uk/government/policies/taking-international-action-to-mitigate-climate-change/supporting-pages/international-climate-fund-icf>

Funds Pledged

6,002 **USD**  
million

Funds Received

1,318 **USD**  
million

Funds Approved

1,789 **USD**  
million

**Source:**

*Climate Funds Update – the latest information on climate funds. "Status of Funds table." Accessed October 2016.*

**TIPS**

**by USAID Adapt Asia-Pacific**

Make contact with your local DFID country office and/or representative and discuss with them your priority climate change projects.

## HOW TO ACCESS THE FUND

There is no direct route through which an organization outside of the UK Government can independently develop a project to be considered for ICF funding. Proposals come regularly through DFID country offices or central departments, as well as from DECC and Defra.

Often the delivery partners of individual projects include private sector entities, civil society organizations and academic institutions, but the proposal has to be sponsored and managed by one of the three UK government departments.

## APPROVAL PROCESS

The ICF funds are usually channeled through global multilaterally administered programs rather than towards specific country initiatives. The ICF Board – consisting of representatives from DFID, DECC and Defra – makes spending decisions based on:

1. Consistency with OECD's guidelines for official development assistance;
2. Consistency with UK commitments on aid effectiveness (under the Paris Declaration);
3. Project results driven both in terms of poverty reduction and climate impacts;
4. Open and transparent project performance;
5. Choice of appropriate aid instruments to maximize value for money and impact; and
6. Appropriate enabling environment (i.e. investing in countries with conducive political and policy settings for taking climate action).

# International Climate Initiative

## ABOUT

The International Climate Initiative (ICI) is a funding instrument under Germany's Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. The ICI finances projects that promote climate-friendly economies, support measures for climate change adaptation, and reduce emissions from deforestation and forest degradation (REDD+). As a key element of Germany's contribution to climate finance, the ICI provides assistance mainly through technology cooperation, policy advice, and capacity development.

## TARGET AREA

The ICI focuses on four broad areas of support:

1. Mitigating greenhouse gas emissions;
2. Adapting to the impacts of climate change;
3. Conserving natural carbon sinks with a focus on reducing emissions from deforestation and forest degradation (REDD+); and
4. Conserving biological diversity.

Priority sectors in mitigation include sustainable consumption, energy efficiency, waste management, and transportation. In the area of adaptation, the ICI supports projects that help develop and implement national adaptation strategies, promote ecosystem-based adaptation, and manage climate risks, among others.



### Focus

Adaptation, Mitigation, Biodiversity Conservation, REDD+



### Method of Support

Concessional loans, grants



### Eligible Countries

Broad eligibility, including developing, newly industrializing, and transition countries in Africa, South and Southeast Asia, Small Island States in the Pacific and the Caribbean, and others



### Website

<http://www.international-climate-initiative.com>

## TIPS

by USAID Adapt Asia-Pacific

Getting to know your GIZ country office is a good entry point for understanding and accessing German government funding opportunities. Details on local representation of GIZ staff can be found at: <https://www.giz.de/en/worldwide/asia.html>.

Funds Pledged

1,733 **EUR**  
million

Funds Received

1,733 **EUR**  
million

Funds Approved

2,125 **EUR**  
million

**Source:**

*International Climate Initiative. Germany's Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. "The Project Portfolio." Accessed on March 2017.*

It is also interesting to note that from 2008 to 2013 around EUR 300 million went towards projects in South Asia, Southeast Asia, and the Pacific.

## HOW TO ACCESS THE FUND

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The ICI selects projects for funding through a call for proposals. Project proposals can be submitted by Germany's federal implementing agencies, NGOs, business enterprises, universities and research institutes, as well as by international and multinational organizations, such as development banks and United Nations bodies and programs.

The ICI Programme Office makes funding decisions based on a two-stage process: (i) an appraisal of project outlines; and (ii) a review of full proposals. Applicants must submit project outlines by the deadline, using templates available on the ICI website. Shortlisted projects will then be asked to submit a formal funding application for another round of evaluation.

## APPROVAL PROCESS

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The projects are selected based on a variety of criteria, including the needs of partner countries, fund availability, internal foreign and development policy criteria and any existing multilateral and bilateral cooperation with the German government.

Other key selection criteria for fund approval include assessing the aptitude of project partners – in terms of competence, capacity and experience – and determining the suitability of the project – in relation to transformative impacts, sustainability of outcomes, and self-financing and/or third-party financing opportunities.

# Least Developed Countries Fund

## ABOUT

The Global Environment Facility (GEF) is a partnership for international cooperation where 183 countries work together with international institutions, civil society organizations, and the private sector to address global environmental issues. The Least Developed Countries Fund (LDCF) is a multilateral fund under the United Nations Framework Convention on Climate Change administered by the GEF. The Fund was established in 2001 and became operational in 2002.

The LDCF is particularly focused on the needs of the 49 Least Developed Country Parties (LDCs) who are especially vulnerable to climate change. To do this, the Fund supports LDCs to prepare a National Adaptation Programme of Action (NAPA) and to implement the urgent and immediate climate change adaptation needs identified within the NAPA.

## TARGET AREA

Any sector identified as a priority area under the NAPA is relevant for the LDCF. The main sectors that have been addressed through LDCF funding to date are: agriculture (30%); natural resources management (18%); coastal zone management (14%); water resources management (13%); climate information services (11%); disaster risk management (8%); and other infrastructure (5%).



**Focus**  
Adaptation



**Method of Support**  
Grants



**Eligible Countries**  
All Least Developed Countries



**Website**  
<http://www.thegef.org/gef/LDCF>

## TIPS

by USAID Adapt Asia-Pacific

The distinction between climate change adaptation projects and 'business-as-usual' development projects is not always clear. Generally, projects contributing to sustainable development are endorsed. Many projects are also focused on rural sectors, with few urban projects being funded under the LDCF.



Funds Pledged

1,188.6 USD million

Funds Received

1,008.5 USD million

Funds Approved

1,041.5 USD million

Funds Disbursed

679.3 USD million

**Source:**

The Global Environment Facility. "Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund." October 27, 2016.

Among the various implementing agencies, UNDP seems to have had the greatest success in accessing LDCF funds. Project proposal [templates](#) can be found on the GEF website.

## HOW TO ACCESS THE FUND

With a letter of endorsement from the country's appointed GEF Operational Focal Point or government representative, project proponents, usually line agencies, develop a concept for a project and submit it to the GEF Secretariat through one of its 14 Implementing Agencies:

- United Nations Development Programme;
- United Nations Environment Programme;
- World Bank;
- African Development Bank;
- Asian Development Bank;
- European Bank for Reconstruction and Development;
- Inter-American Development Bank;
- International Fund for Agricultural Development;
- United Nations Food and Agricultural Organization;
- United Nations Industrial Development Organization;
- World Wildlife Fund, Inc.;
- Conservation International;
- International Union for Conservation of Nature; and
- Development Bank of Southern Africa.

## APPROVAL PROCESS

Medium-sized Projects (MSP), which are those under USD 2 million, enjoy a streamlined application process, as compared to Full-sized Projects (FSP), which are those over USD 2 million.

For FSPs, the process begins with a Project Identification Form (PIF) or project concept, which once approved is followed by a CEO Endorsement Form that includes the development of a full-sized project document. MSPs may start directly with the CEO Endorsement Form and project document. Once the GEF CEO endorses the project, the funding is released to the Implementing Agency.

# Nordic Climate Facility

## ABOUT

The Nordic Climate Facility (NCF) is fully financed by the Nordic Development Fund (NDF) on a competitive basis. Calls 1-4 are administered by the Nordic Environment Finance Corporation (NEFCO) and Calls 5 onwards are managed by NDF, with resources coming from five Nordic countries: Denmark, Finland, Iceland, Norway and Sweden. The NCF encourages the transfer of technology, know-how and innovative ideas between Nordic countries and low-income countries facing climate change in order to increase their abilities to mitigate and adapt to climate change and contribute to sustainable development and poverty reduction.

## TARGET AREA

The NCF supports a wide range of adaptation and mitigation activities across sectors and areas susceptible to climate change such as: energy, transport, water and sanitation, health, agriculture, and forestry and other areas related to natural resource management.



### Focus

Adaptation, Mitigation



### Method of Support

Grants



### Eligible Countries

21 low-income countries in Africa, Asia and Latin America. Eligible countries in Asia include Bangladesh, Cambodia, Lao PDR, Nepal, Sri Lanka, and Vietnam.



### Website

<http://www.ndf.fi/project/nordic-climate-facility-ncf>

## TIPS

### by USAID Adapt Asia-Pacific

Since 2009, six calls for proposals have been announced to date, each with a different theme: NCF1: water resources and energy efficiency; NCF2: renewable energy and urban adaptation; NCF3: innovative low-cost climate solutions with focus on local business development; NCF4: Inclusive green growth projects contributing to private sector development; NCF5: climate

Funds Pledged

26.90 **EUR**  
million

Funds Approved

23.84 **EUR**  
million  
(NCF1 to NCF6)

Funds Disbursed

13.67 **EUR**  
million  
(NCF1 to NCF5)

**Source:**

Nordic Climate Facility. "NCF Annual Report (call 5-9) 2016." December 2016.

resilience in urban and private sector contexts; and NCF6: green growth for sustainable livelihoods, which was launched in November 2015. NCF7 is expected to launch during the Q3 of 2017.

For interested parties, watch for the timing and theme of the next call for proposals and get to know your Nordic counterparts.

## HOW TO ACCESS THE FUND

NCF financing is granted only to an organization, company or authority with relevant technical capacity that is registered in Denmark, Finland, Iceland, Norway or Sweden that has passed the pre-qualification for eligibility.

Access is based on response to annual calls for proposals, which focus on climate change themes, like energy efficiency, urban adaptation, or inclusive green growth.

Then the NCF reviews the proposals and invites shortlisted organizations to elaborate a full proposal. Proposals must include one or more eligible local partners in the country where the project will be implemented.

The best proposals receive grant co-financing between EUR 250,000 and 500,000, used to cover actual costs for technical assistance, equipment, and other investments.

## APPROVAL PROCESS

Project proposals are pre-screened through an on-line form, followed by a full technical and financial review. Funding decisions are results-based, with grant disbursements linking to agreed milestones set out in the proposals.

The NCF's grant funding may cover up to 80% of the estimated costs, with the rest covered by the applicant, partners, and/or other financiers. Proposals with more co-financing usually score higher. The maximum project implementation period is 30 months, starting one month after the signing of the grant agreement.

In the long run, NCF-funded projects are expected to be financially viable for the local partner; however, there is no intention for the project to generate profits during the implementation period.

# Nordic Development Fund

## ABOUT

The Nordic Development Fund (NDF) is the only joint development finance institution of five Nordic countries – Denmark, Finland, Iceland, Norway and Sweden. The NDF's capital is provided by the Nordic countries' development cooperation budgets. The NDF has adopted a new strategy in November 2015, which underlines its role in the broader climate finance architecture focusing exclusively on climate change and development in low-income and lower middle income countries. It does this primarily through co-financing grants, often cooperating with bilateral and multilateral development institutions that serve to complement and fill gaps in the areas of climate change and development.

## TARGET AREA

Three focus areas are relevant for NDF grant financing: infrastructure and energy; natural resources; and climate change-related capacity building.

The NDF finances both adaptation and mitigation activities, including enhancing country abilities to better respond to climate change impacts on water resources, health, infrastructure, and agriculture, and supporting projects that promote energy efficiency and use of renewable energy sources.

Financing may also cover climate change impact analysis and national adaptation planning, as well as 'climate proofing' of sectors, geographic areas and specific projects.



### Focus

Adaptation, Mitigation



### Method of Support

Grants



### Eligible Countries

27 low-income and lower middle income countries in Africa, Asia and Latin America. Eligible countries in Asia include Bangladesh, Cambodia, Kyrgyz Republic, Lao PDR, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, and Vietnam.



### Website

<http://www.ndf.fi/projects>

## TIPS

### by USAID Adapt Asia-Pacific

The Norwegian Sovereign Wealth Fund has recently agreed to divest from coal-related investments. This could mean significantly more money becoming available for climate change adaptation projects, although nothing has been announced yet.

Funds Pledged

1,021.4 **EUR**  
million

Funds Received

878.6 **EUR**  
million

Funds Approved

235.7 **EUR**  
million  
(Grants)

934.1 **EUR**  
million  
(Credits)

Funds Disbursed

150.6 **EUR**  
million  
(Grants)

845.8 **EUR**  
million  
(Credits)

**Source:**

The Nordic Development Fund. "Annual Report 2015." March 3, 2016.

## HOW TO ACCESS THE FUND

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The NDF provides grants by co-financing. It has a strong working relationship with the World Bank, Asian Development Bank, Inter-American Development Bank, African Development Bank and Nordic bilateral development organizations. Projects are often identified through these partnerships. Other project ideas come through Nordic firms, organizations and networks.

As the NDF is a co-financing institution, its grants normally constitute a portion of a given project. In addition, the NDF-financed component of the co-financed project should be in line with the NDF's mandate and eligibility criteria. The grant amounts vary depending on project scope, ranging from EUR 2 to 5 million.

## APPROVAL PROCESS

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Climate relevance and economic justifications are the core screening criteria; however, while projects may satisfy these conditions, they may not be considered suitable or of sufficiently high-priority to warrant support.

In practice, many other factors are considered before NDF provides support. These include consistency with national development plans, contribution to poverty alleviation, and focus on gender issues. The proposed project should also show evidence of ownership and financial commitment by a co-financing development partner.

All grant decisions are made by the NDF's Board of Directors.

# Pilot Program for Climate Resilience

## ABOUT

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The Pilot Program for Climate Resilience (PPCR) is a targeted program of the Strategic Climate Fund (SCF), which provides financing to pilot new development approaches or to scale up activities aimed at addressing specific climate change challenges. The SCF is part of the Climate Investment Funds (CIF) established by the World Bank and other regional development banks in July 2008.

The PPCR aims to fund national-level actions that enhance climate resilience and integrate adaptation into core development planning. Building on National Adaptation Programmes of Action (NAPAs) and other existing efforts, the PPCR also offers additional funding to pilot innovative public and private sector solutions to pressing climate-related risks.

## TARGET AREA

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The PPCR provides grants and concessional financing (near-zero interest credits with a 75% grant) to support a wide range of activities, including:

- Improving agricultural practices and food security;
- Building climate-resilient water supply and sanitation infrastructure;
- Monitoring and analyzing weather data; and
- Conducting feasibility studies for climate-resilient housing in coastal areas.

The PPCR pilot programs are intended to be country-led; built upon NAPAs and other relevant country studies and strategies; and strategically aligned with the Adaptation Fund and other donor-funded activities.



**Focus**  
Adaptation



**Method of Support**

Co-financing, concessional loans, and grants



**Eligible Countries**

Those countries that are eligible for official development assistance according to the OECD with an active in-country multilateral development bank program. Priority is given to vulnerable Least Developed Countries, including Small Island Developing States.



**Website**

<https://www.climateinvestmentfunds.org/fund/pilot-program-climate-resilience>

Funds Pledged

1,200 USD million

Funds Received

1,099.6 USD million

Funds Approved

1,873.9 USD million

Funds Disbursed

145.9 USD million

**Source:**

*The Climate Investment Funds. "PPCR Semi-Annual Operational Report." December 31, 2015.*

**TIPS**

**by USAID Adapt Asia-Pacific**

The initial round of PPCR funds has been fully allocated. It is not clear if there will be a second round of funding under the CIF. The lessons learned from the "pilot" nature of the PPCR will need to be analyzed first.

## HOW TO ACCESS THE FUND

Countries can access the PPCR through the development banks working in their country by providing an expression of interest in response to a call from the CIF. The PPCR Sub-Committee conducts an expert review, identifying specific regional or country pilot programs and agreeing to an overall amount. Specific projects are then prepared within that programmed amount. These proposals are subsequently submitted to the PPCR Sub-Committee for specific approval.

## APPROVAL PROCESS

Recipient countries are selected by a PPCR expert group based on criteria including the following:

- Transparency and vulnerability;
- Country preparedness and its ability to move towards climate-resilient development plans;
- Country distribution across regions (or the extent to which countries are regionally representative);
- Types of hazards; and
- Replicability and sustainability.

The PPCR Sub-Committee also ensures that their programs complement the activities of other development partners (including the Global Environment Facility and other UN organizations), in order to maximize synergies and avoid overlap.

It is important to note that the PPCR aims to fund longer-term programs that add value and promote greater impact, as opposed to funding individual projects.

# Special Climate Change Fund

## ABOUT

Like the Least Developed Countries Fund, the Special Climate Change Fund (SCCF) is a multilateral fund, under the United Nations Framework Convention on Climate Change, also administered by the Global Environmental Facility (GEF). The Fund was established in 2001 and became operational in 2002.

The SCCF funds activities that strengthen specific sectors against climate change impacts. While adaptation is the Fund's top priority, the SCCF also focuses on technology transfer.

The SCCF supports activities which are country-driven, cost-effective, and integrated into national sustainable development and poverty reduction strategies. These activities also take into account National Adaptation Programmes of Actions (NAPAs).

## TARGET AREA

The SCCF has supported adaptation activities in a wide variety of sectors and areas, including agriculture (26%); water resources management (23%); coastal zone management (11%); disaster risk management (9%); natural resources management (7%); climate information services (6%); health (2%); and other infrastructure (7%).

The SCCF also supports projects on energy, transport, industry, forestry, and waste management as well as activities to help diversify economies - particularly those which are highly dependent on fossil fuels - and transition towards green growth.



### Focus

Adaptation, Mitigation



### Method of Support

Grants



### Eligible Countries

All developing countries that are Parties to the UNFCCC



### Website

<https://www.thegef.org/topics/special-climate-change-fund-sccf>

## TIPS

by USAID Adapt Asia-Pacific

There is relatively little funding remaining to be approved from this Fund. It is unclear if it will be replenished, although there are strong reasons for climate change adaptation to remain a priority activity under the GEF. Project proposal [templates](#) can be found on the GEF website.



Funds Pledged

351.28 USD million

Funds Received

324.47 USD million

Funds Approved

347.50 USD million

Funds Disbursed

207.21 USD million

**Source:**

The Global Environment Facility. "Progress Report on the Least Developed Countries Fund and the Special Climate Change Fund." October 27, 2016.

## HOW TO ACCESS THE FUND

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With a letter of endorsement from the country's appointed GEF Operational Focal Point or government representative, project proponents, usually line agencies, develop a concept for a project and submit it to the GEF Secretariat through one of its 14 Implementing Agencies:

- United Nations Development Programme;
- United Nations Environment Programme;
- World Bank;
- African Development Bank;
- Asian Development Bank;
- European Bank for Reconstruction and Development;
- Inter-American Development Bank;
- International Fund for Agricultural Development;
- United Nations Food and Agricultural Organization;
- United Nations Industrial Development Organization;
- World Wildlife Fund, Inc.;
- Conservation International;
- International Union for Conservation of Nature; and
- Development Bank of Southern Africa.

## APPROVAL PROCESS

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Medium-sized Projects (MSP), which are those under USD 2 million, enjoy a streamlined application process, as compared to Full-sized Projects (FSP), which are those over USD 2 million.

For FSPs, the process begins with a Project Identification Form (PIF) or project concept, which once approved is followed by a CEO Endorsement Form that includes development of a full-sized project document. MSPs may start directly with the CEO Endorsement Form. Once the GEF CEO endorses the project, the funding is released to the Implementing Agency.

# Notes

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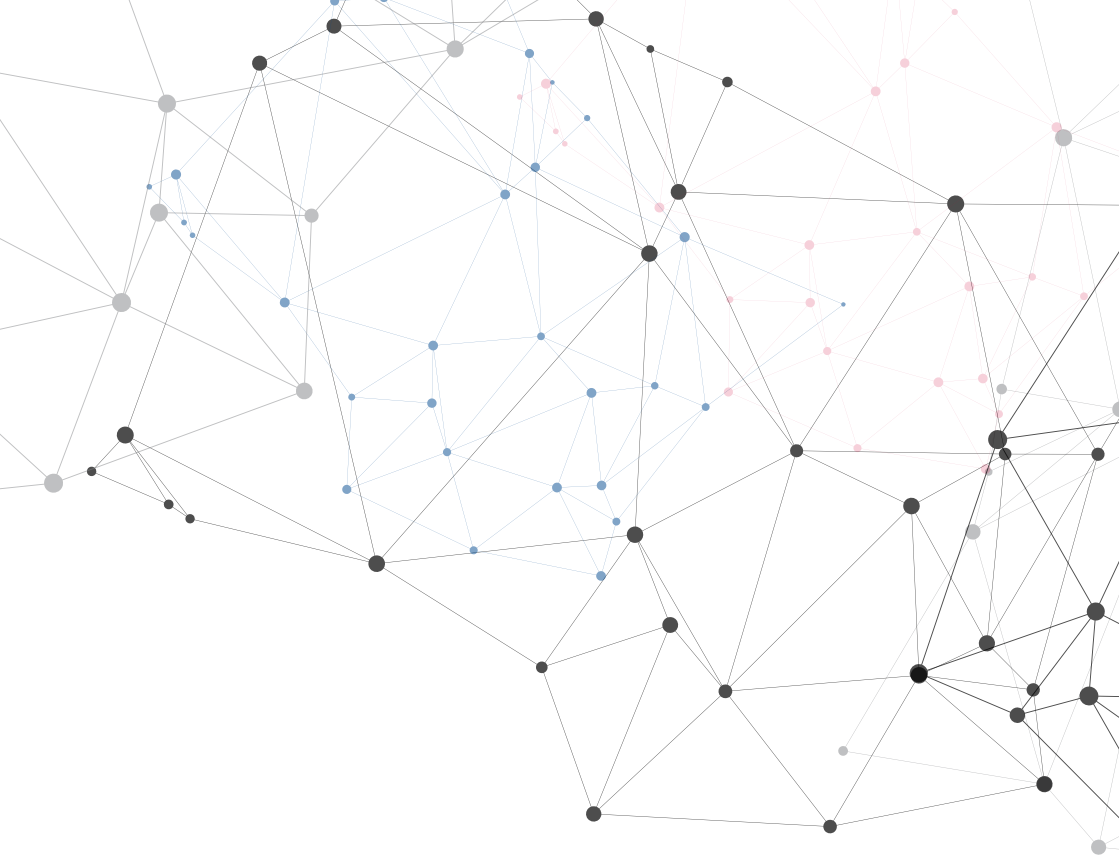
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## USAID Adapt Asia-Pacific

CLIMATE CHANGE ADAPTATION PROJECT  
PREPARATION FACILITY FOR ASIA AND THE PACIFIC

The USAID funded Adapt Asia-Pacific project (2011-2017) helps countries in Asia and the Pacific obtain financing to address climate change impacts, through a combination of technical support in project preparation, and capacity building at the regional, national, and local levels for accessing climate change adaptation finance. For more information, please see [www.adaptasiapacific.org](http://www.adaptasiapacific.org)

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