

Finance opportunities for adaptation programmes and projects: A guide for the confused

Abstract:

Post Copenhagen Climate Policy/Climate Finance Picture

At the Copenhagen Climate summit, developed countries have committed 30bn in fast start finance to invest into mitigation and adaptation to climate change.

Moreover, long term finance in the order 100 bn USD - taken from a variety of sources – seems to be within reach for an international agreement. However, climate policy experienced a shift of gravity towards a three pillar approach of negotiations and international agreement, national actions and bi- and plurilateral cooperation. In this increasingly complex picture, it becomes more and more difficult for vulnerable countries to make their needs heard and to decide where to engage and apply for external funding.

Funding for adaptation in developing countries, unlike mitigation, will largely stem from public or innovative public sources. This should put the Fund (crunch issue to be decided in Cancun), which would channel large sums of climate finance through the UNFCCC convention, in the spotlight of vulnerable countries asks for the Cancun Climate Conference.

Overview of Adaptation Funding

Overall 18 new funds for climate action have been founded in the period 2007-2008 representing a major mess for vulnerable developing countries, which want to engage in adaptation activities. The presentation introduces tools & websites, which compile information and conditions of each of these funds, so that countries can tailor their adaptation projects and programmes accordingly. The section ends with an overview of adaptation initiatives in development cooperation and the UNFCCC negotiations, which could lever public money directed towards vulnerable countries.

KP Adaptation Fund

The KP Adaptation Fund has some innovative features, such as groundbreaking direct access modalities, innovative finance sources and a governance structure based on equal representation. Therefore, vulnerable developing countries should work with the Adaptation Fund not only to access external funding but also to strengthen the Adaptation Fund as a role model for future funding entities. The presentation lays out the steps necessary for developing country governments to table project proposals to the Adaptation Fund.

Important websites:

http://unfccc.int/adaptation/implementing_adaptation/adaptation_funding_interface/items/4638.php
www.climatefinanceoptions.org
www.adaptation-fund.org

CV

Sönke Kreft is Senior Expert on Climate & Insurance at the environmental and development organization Germanwatch. His work focuses on adaptation and development issues in general and insurance solutions in climate adaptation in particular.

Representing Germanwatch, he has attended all UNFCCC sessions from COP14 in Poznan onwards. Prior joining Germanwatch he gained valuable insights from international development cooperation as well as the reinsurance industry.

Sönke Kreft studied Global Change Management as well as Agricultural studies in Göttingen, Bangor and Eberswalde.

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Финансовые возможности для программ и проектов по адаптации к изменению климата: Разъяснительное введение.

Краткий обзор:

Пост - копенгагенская климатическая политика / Ситуация по климатическому финансированию

На саммите по изменению климата в Копенгагене, развивающиеся страны обязались инвестировать 30 млрд. долл. в схему быстрого финансирования по смягчению последствий и адаптации к изменению климата. Кроме этого, долгосрочное финансирование в порядке 100 млрд. долл. взятых из различных источников - представляется возможным для утверждения в рамках международного соглашения. Тем не менее фокус климатической политики сменился в сторону трех основных моментов: Переговорный процесс и международное соглашение, национальные мероприятия, дву- и многосторонняя кооперация. В этой усложняющейся картине, становится все более затруднительным для уязвимых стран заявить о своих нуждах и найти правильное решение с чего начать работу и каким образом подать заявку о внешнем финансировании для адаптации к изменению климата.

Финансирование по адаптации к изменению климата в развивающихся странах, в отличие от смягчения последствий к изменению климата, будет в значительной степени зависеть от государственных или инновационных общественных источников.

Это должно привести к обсуждению Фонда (переломный исход решится в Канкуне), который будет направлять большие суммы для климатического финансирования в рамках Конвенции РКИК ООН, причем центром внимания Конференции в Канкуне должно быть принятие интересов уязвимых стран.

Обзор адаптационного финансирования

В целом 18 новых фондов по проблемам климата были созданы в период 2007-2008 годов, что усложняет ориентацию в деятельности по адаптации к изменению климата, для развивающихся стран. Данная презентация знакомит с инструментами и веб-сайтами, которые представляют информацию и условия каждого из этих фондов, с тем чтобы страны смогли продумать их адаптационные проекты и последующие программы. В заключении представлен обзор инициатив по адаптации к изменению климата кооперационного развития и РКИК ООН переговоров, которые могли бы быть «рычагом» общественных денег направленных в уязвимые страны.

КП Адаптационный Фонд

КП Адаптационный Фонд имеет ряд инновационных функций, таких как метод прямого доступа, передовые источники финансирования и структуры управления на основе равного представительства. Таким образом, уязвимые развивающиеся страны должны работать с Адаптационным Фондом не только для доступа к внешнему финансированию, но и для укрепления Адаптационного Фонда в качестве ролевой модели для будущих финансирующих единиц. Презентация излагает шаги, необходимые для правительств развивающихся стран для внесения предложений по проектам к Адаптационному Фонду.

Важные сайты:

http://unfccc.int/adaptation/implementing_adaptation/adaptation_funding_interface/items/4638.php

www.climatefinanceoptions.org

www.adaptation-fund.org

CV

Зёнке Крэфт является старшим экспертом по климату и страхованию в организации занимающейся вопросами экологии и развития – Germanwatch. Его работа сосредоточена в области адаптации к изменению климата, развития в целом и решений о страховании по адаптации к изменению климата в частности. Представляя Germanwatch, он присутствовал на всех сессиях РКИК ООН из COP14 в Познани. До прихода в Germanwatch он получил ценный опыт от международного сотрудничества в целях развития, а также перестрахования. Зёнке Крэфт изучал менеджмент глобальных изменений, а также сельскохозяйственные науки в Гёттингене, Бангоре и Эберсвальде.

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Motto: Observing, Analysing, Acting
- for Global Equity and the Preservation of Livelihoods

Our Strategy:

Change Political and Economic Structures in the "North"
Situation of marginalized people in the South is the starting point of our
work

Areas of work:

Avoid dangerous climate change
Trade & Agricultural Policy

Corporate Responsibility
Development policy

Role in the UNFCCC negotiations

watch (industrialized) countries positions and
action

act as a facilitator:

- bring delegates together
- test out arguments
- do capacity building

bilateral talks with delegates

analysis and work on official text

public awareness + media work

networking and lobbywork with the NGO
community

initiate new co-operations and alliances (e.g.
with the business sector)

promote innovative institutions

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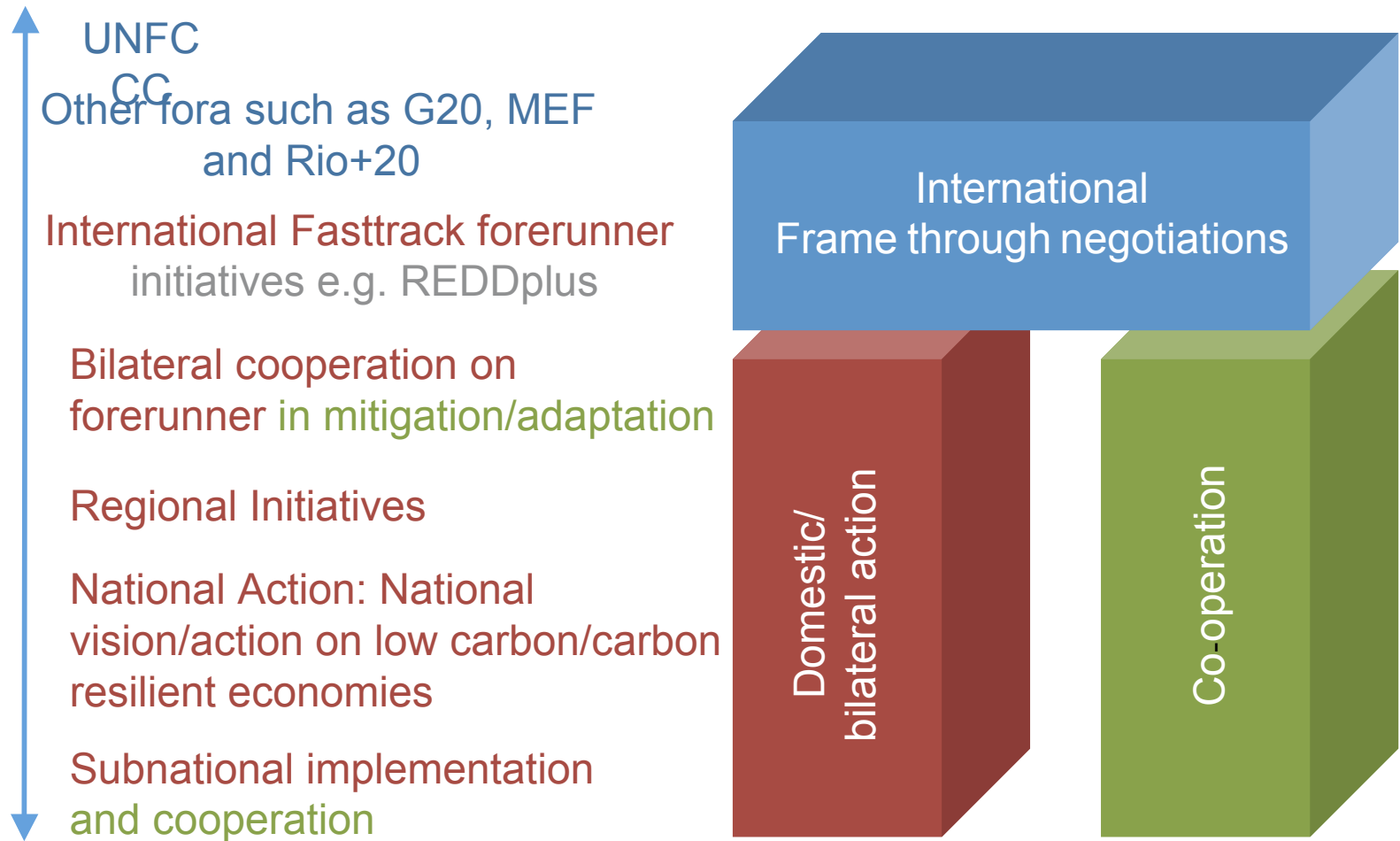
3. The KP Adaptation Fund

Copenhagen destroyed Big Bang Approach



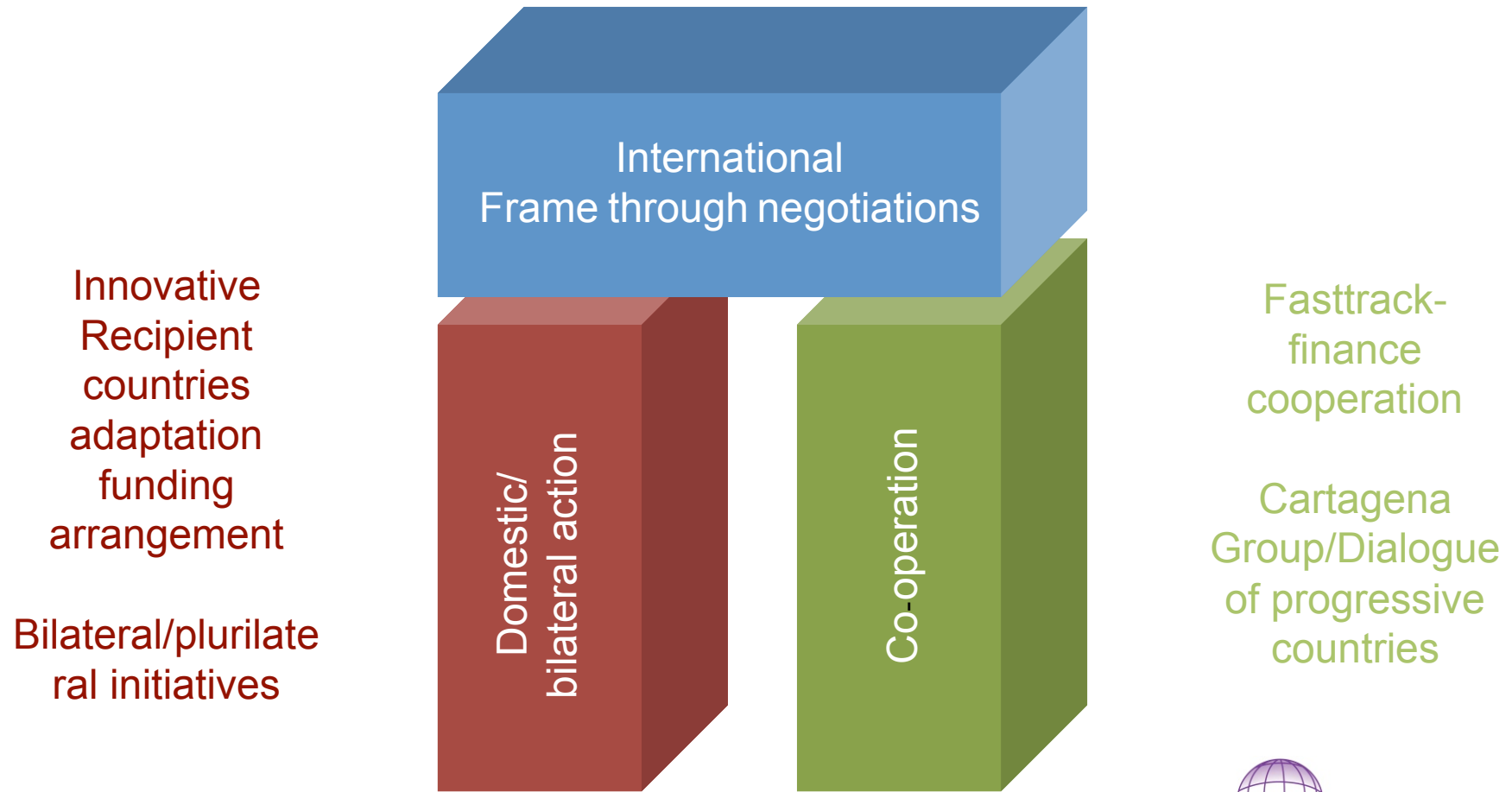
Main reason: financial crisis / national US opposition, China not yet ready for international leadership role ;
Even less probable after collapse of US climate bill

The post-Copenhagen Climate Policy Picture



The post-Copenhagen Climate Finance Landscape

Global adaptation funding initiatives
e.g. KP Adaptation Fund
Worldbank PPCR, Future Fund of the UNFCCC



What can countries do?

Domestic/bilateral action

1. Look at innovative in-country adaptation mechanisms (Bangladesh example)

Co-operation

2. Engaging in proactive/forerunner coalitions e.g. Cartagena-group

3. Adaptation Partnership

International action

4. Engage in important funding initiatives e.g. Adaptation Fund

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Existing Funds - How to get funding?

- **Climate Finance Options** by UNDP & World Bank
 - Funding sources: 40 sources
 - Knowledge Center: climate issues, project planing, feasibility check
 - Case studies/Project report

FUNDING BY SOURCE



- Bilateral
- Multilateral
- Foundation / Philanthropic
- Private sector
- Show All

Featured

1 of 3

Clean Technology Fund (CTF)

Key features of the CTF design are:

- Utilizing MDB capabilities to leverage private and public resources for low carbon investments;
- Promoting environmental and development co-benefits to demonstrate how low carbon technologies can contribute to national development goals and strategies;

Read More »

BY FOCUS AREA

Show All

BY SECTOR

Show All

BY FINANCING MECHANISM

Show All

Source: <http://www.climatefinanceoptions.org/demo/>

Existing Funds - How to get funding?

- **UNFCCC Interface for Adaptation**

Nature of disbursement	Regions	Countries	Sectoral focus
<ul style="list-style-type: none">All entriesGrantsLoansTechnical Assistance	<ul style="list-style-type: none">All entriesAfricaAsia-PacificLeast Developed CountriesSmall Island Developing StatesSouth and Central America	<ul style="list-style-type: none">ThailandSyriaTajikistanTanzaniaThailand	<ul style="list-style-type: none">All entriesDisaster risk reductionEducation and trainingFood security, agriculture, forestry and fisheriesHealthOceans and coastal areas
Funding source	Co-financing		
<ul style="list-style-type: none">All entriesAlternate international sources (Foundations)Alternate international sources (NGOs)Alternate international sources (Private)Bilateral banksMultilateral banks	<input type="radio"/> Yes <input type="radio"/> No		

Source: http://unfccc.int/adaptation/implementing_adaptation/adaptation_funding_interface/items/4638.php

- **UNFCCC Financial Portal**

- Enhance visibility & accessibility of information
- Work & functioning of funds
- National Communications (operational end 2010), convention funds (test version by Cancun), bi- & multilateral funding, links

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The Adaptation Fund (AF)

Innovative Features

1. New funding source: first international levy for environment and development purposes
2. Direct access to AF resources for eligible countries: Role model for future funds?
3. Governing body: equitable and balanced representation between Parties: Good working mood

<http://www.adaptation-fund.org/>



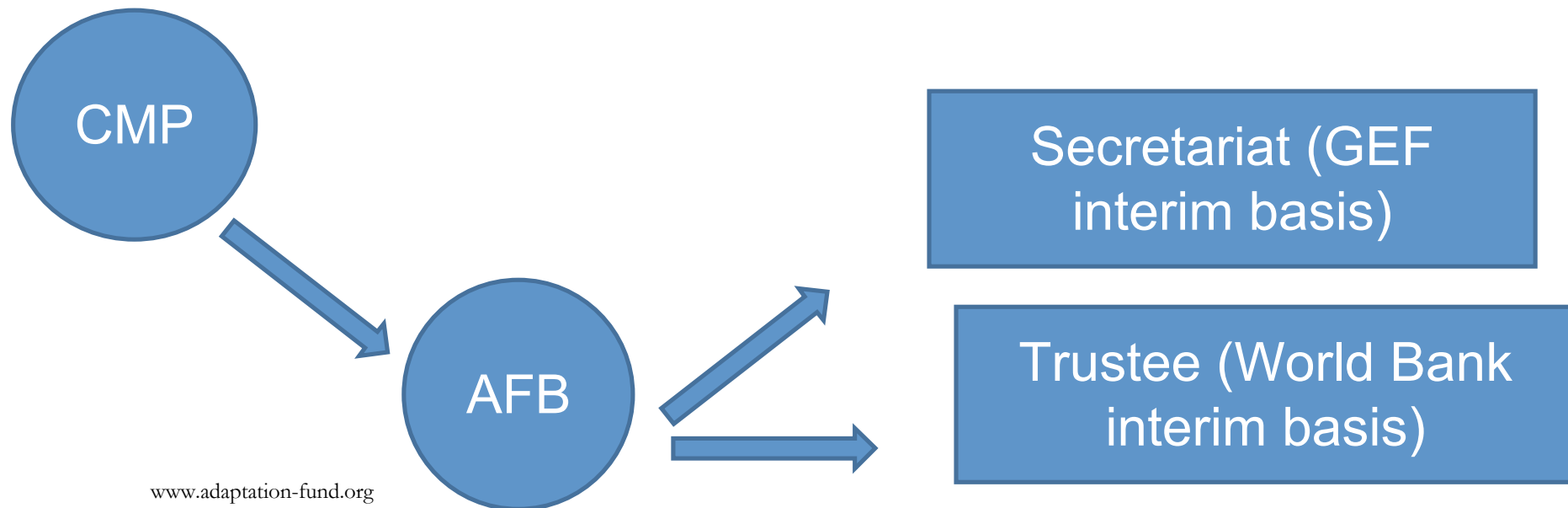
Financial resources

- CER revenue depends on 2 factors:
 - Total number of CERs issued
 - Prices of CERs in the carbon market
- Estimated CER income to be:
 - Between USD 190 and 200 million made available by end-2010,
 - Between USD 263 and 404 million by end-2012 (estimates)
- Annex 1 party pledges:
 - Euros 45 million from Spain;
 - Germany & Sweden announced Euros 10 million.

Institutional Arrangement of the Adaptation Fund (AF)

- Secretariat: GEF on an interim basis
- Trustee: World Bank on an interim basis

The Parties have decided that the interim institutional arrangements shall be reviewed. Review to be carried out at the CMP.7 in 2011.



Implementing Entities: Access to the Fund

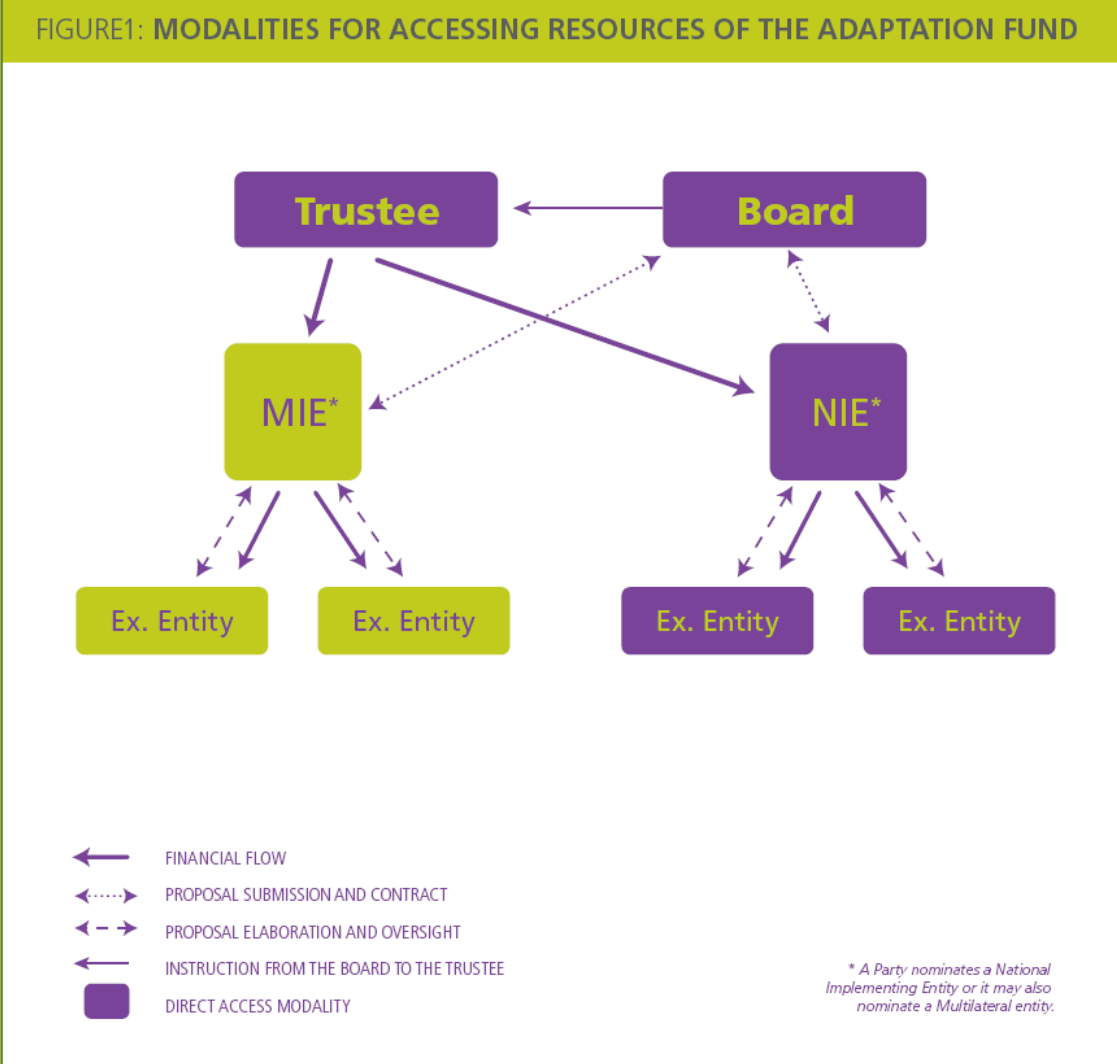
Direct Access Path

- Parties can submit their projects directly to the AFB through an National Implementing Entity (NIE).
- A group of Parties may also nominate regional and sub-regional entities as implementing entities instead of NIEs.

MIE Access Path

- Parties can submit their proposals through an accredited Multilateral Implementing Entity (MIE) – UNDP, Worldbank (UNEP is pending).

Accessing the Fund



Accessing the Fund

NIE and MIE shall:

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

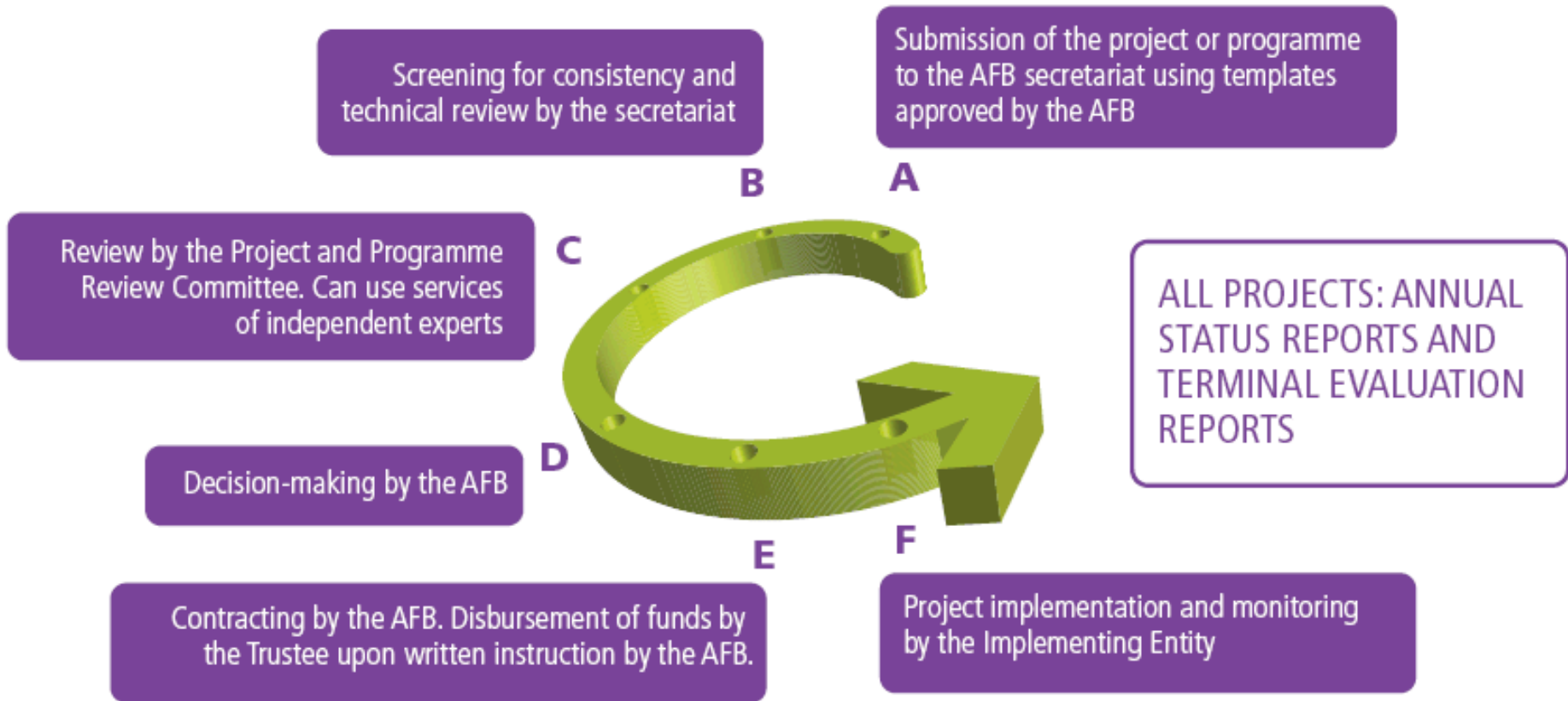
<http://www.adaptation-fund.org/>

The Accreditation Process

- Step 0: The government appoints a Designated Authority. DA must endorse the nomination of a potential NIE and the project and programme proposals.
- Step 1: Submit application with DA endorsement:
 - a. Description of how the organization meets the specific required capabilities
 - b. Attachment of supporting documentation
- Step 2: Accreditation Panel Reviews Application.
- Step 3: Panel can request additional information/clarification from organization.
 - a. Might suggest to Board that an on-site visit and /or observation of an organization is required
 - b. Might suggest that technical support needs to be provided to an applicant to improve its capacity in order to attain accreditation
- Step 4: Accreditation Panel makes recommendation to AFB.
- Step 5: AFB makes final decision on accreditation of entity.

<http://www.adaptation-fund.org/>

AFB PROJECT CYCLE



<http://www.adaptation-fund.org/>

All proposals will be posted on the AF website with a possibility for public commenting

2nd Central Asian European International Forum on Climate Change

Q&A

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