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Adaptation planning processes

Summary

This document outlines how the GCF may wish to support the Cancun Adaptation Framework and relevant planning adaptation articles of the Paris Agreement, clarifying the approach of the GCF on adaptation pre-2020. The document considers the current support for adaptation in the GCF, including with regard to the Cancun Adaptation Framework, and proposes an approach for adaptation in the GCF, including adaptation as referred to in the Paris Agreement.

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I. Introduction

1. Decision B.12/07, paragraph (c), requests the Secretariat to present a document for consideration by the Board at its thirteenth meeting (B.13) on how the GCF may wish to support the Cancun Adaptation Framework (CAF) and relevant adaptation planning articles of the Paris Agreement.
2. This document provides an overview of current GCF support as it relates to clauses of CAF and proposes possible actions by the GCF for enhancing this support to the framework as well as the potential approach that the GCF could undertake in supporting the implementation of Article 7 of the Paris Agreement.

1.1 Cancun Adaptation Framework and adaptation planning articles of the Paris Agreement

1.1.1 Cancun Adaptation Framework

3. CAF was adopted as part of the Cancun Agreements by the Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) at its sixteenth session, where the COP affirmed that adaptation must be addressed with the same priority as mitigation.¹ The objective of CAF is to enhance action on adaptation, including through international cooperation and coherent consideration of matters relating to adaptation under the UNFCCC. Enhanced action on adaptation seeks to reduce vulnerability and build resilience in developing countries, taking into account the urgent and immediate needs of those developing countries that are particularly vulnerable to the adverse effects of climate change.

1.1.2 Adaptation in the Paris Agreement

4. The Paris Agreement further strengthens adaptation efforts under the UNFCCC by:
 - (a) Establishing a global goal for adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal;
 - (b) Requiring all Parties, as appropriate, to engage in adaptation planning processes and the implementation of adaptation actions;
 - (c) Encouraging all Parties to communicate on their adaptation priorities, implementation and support needs, plans and actions;
 - (d) Committing enhanced adaptation support for developing countries; and
 - (e) Including a review of the overall progress made in achieving the global goal on adaptation, and of the adequacy and effectiveness of adaptation support, as well as the recognition of the adaptation efforts of developing countries in the global stocktake to be undertaken every five years.
5. The decision adopting the Paris Agreement specifically requests the GCF to expedite support for the least developed countries and other developing countries for the formulation of

¹ UNFCCC decision 1/CP.16, paragraph 2(b).

national adaptation plans (NAPs), consistent with UNFCCC decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of policies, projects and programmes identified by them.²

6. Document GCF/B.13/06 titled “The GCF and the Paris Agreement” presents for consideration by the Board a proposal on how the GCF could support the implementation of the Paris Agreement and related decisions of the COP.

II. GCF and the Cancun Adaptation Framework

7. CAF provides a framework to bring adaptation to the same level of prominence as mitigation. CAF established institutions and processes to help to shape and deliver adaptation for all developing countries.

8. Support for adaptation is a key focus of the GCF enshrined in the Governing Instrument for the GCF. Paragraph 35 of the Governing Instrument institutes GCF support for agreed full and agreed incremental cost for activities to enable and support, inter alia, enhanced action on adaptation. The Governing Instrument in paragraph 50 establishes a balance in the allocation of resources between adaptation and mitigation which is echoed in decision B.06/06 where the Board decided to aim for a 50:50 balance between mitigation and adaptation over time.

9. The following principles of CAF are also embedded in existing policies of the GCF.

2.1.1 Principles

- (i) A country-driven approach is one of the key features of the GCF investment criteria and is reflected in its direct access modality;
- (ii) The GCF has integrated CAF principles into its key policy frameworks such as its fiduciary standards and the environmental and social safeguards in the accreditation process, the investment framework, and the Gender policy; and
- (iii) The GCF is developing its performance measurement frameworks and will keep integrating CAF principles into the development of indicators of the performance measurement frameworks.

2.1.2 Stakeholder engagement

- (i) Stakeholder engagement and a consultative approach is a key element of the operational modality of the GCF. It is set as one of the criteria for the environmental and social safeguards and project development process;
- (ii) The Information disclosure policy of the GCF recognizes and emphasizes the need to ensure public access and stakeholder participation in fulfilling its role;
- (iii) Several stakeholders have been consulted on the formulation and revision of the indicators of the adaptation performance measurement framework. The GCF monitoring and accountability framework for accredited entities has put at the centre the concept of local monitoring and gender-driven monitoring which are key for adaptation investments that require local community leadership and design of the investment;
- (iv) The GCF is involved in various outreach activities that include the sharing of information and consultations with stakeholders invited to GCF regional events in order to learn

² UNFCCC decision 1/CP.21, paragraph 46.

about how the GCF can finance adaptation and share lessons learned related to the financing and implementation of adaptation projects; and

- (v) Support is provided to developing countries for stakeholder consultations and coordination through the Readiness and Preparatory Support Programme (hereinafter referred to as Readiness Programme).

III. Support for adaptation by the GCF

10. As per the Governing Instrument, the GCF will strive to maximize the impact of its funding for adaptation and mitigation, seek to reach a balance between the two and will be a continuously learning institution guided by processes for monitoring and evaluation.³

11. The Governing Instrument provides that the GCF can fund the preparation or strengthening of low emission development strategies or plans, including nationally appropriate mitigation actions, national adaptation programmes of action (NAPAs) and NAPs through its Readiness and Preparatory Support Programme.⁴ In accordance with decision B.08/11, the Readiness Programme seeks to support countries to develop country strategic frameworks for engagement with the GCF, building on existing strategies and plans, including NAPs and NAPAs, in accordance with decision B.08/10 and paragraph 37 of the Governing Instrument. In decision B.11/04, paragraph (g), the Board reaffirmed that the GCF, through its Readiness and Preparatory Support Programme, in coordination with other programmes and channels, may support a voluntary country driven national adaptation planning process in accordance with paragraph 40 of the Governing Instrument and decision B.08/11.

12. In the light of these decisions, the Readiness Programme has been operating to provide resources for adaptation-related activities through its activity areas. Specifically, for NAPs, the programme provides support to national designated authorities and focal points, in order to prepare their strategic frameworks, including NAPs and NAPAs, and to develop GCF programme pipelines on adaptation and cross-cutting projects and programmes using a coherent approach.

13. NAP activities can be funded through the Readiness Programme, noting the current cap of USD 1 million per country per year, which could set certain limitations to NAP support that can currently be provided under the programme.

14. There are a number of areas where the GCF could continue, as appropriate, to enhance support for adaptation:

- (a) Supporting the closing of specific gaps, and the completion and strengthening of national adaptation planning processes through the modalities of the GCF, including in cooperation with the Least Developed Countries Fund, the Special Climate Change Fund and other relevant initiatives;
- (b) Supporting the preparation of priority projects and programmes identified in NAPs, NAPAs or other adaptation strategies under the Readiness Programme and through the Project Preparation Facility; and
- (c) Supporting information dissemination and collaboration on the formulation of various adaptation actions through awareness raising and knowledge-sharing workshops, and other similar activities (activity area 5 of the Readiness Programme).

15. The GCF, as the largest multilateral channel for climate finance for developing countries, shall be tracking the amount of finance flows it provides to adaptation, technology, and

³ Paragraphs 2 and 3 of the Governing Instrument.

⁴ Paragraph 40 of the Governing Instrument.

capacity-building by way of GCF projects through its existing monitoring and evaluation framework.

16. The GCF may expedite its support for adaptation by actively seeking synergies between the NAP process and country programmes and strategic frameworks. Such support could be delivered by seeking to engage accredited entities to collaborate with the least developed countries and other developing countries in developing projects and programmes that will provide expedited finance to countries in order to advance their respective NAP processes, as well as signalling to such entities the possibility of developing project and programmes aimed at implementing adaptation action identified in NAPs, nationally determined contributions and other relevant climate policies.

17. The Board has already adopted the results area that will drive the investments supported by the GCF towards the paradigm shift in adaptation. The GCF is currently refining its adaptation indicators and designing an initial evaluation policy for consideration by the Board. These elements and the establishment of the GCF independent Evaluation Unit will contribute to the learning process and the improvement of performances and the impact of GCF adaptation investments over time.

3.1 Collaboration with UNFCCC thematic bodies working in adaptation

18. The Adaptation Committee (AC) is an expert group established under CAF. The GCF receives regular guidance from the COP, which takes inputs from the AC, including on measures to enhance coherence and collaboration regarding adaptation finance. The revised 2016–2018 workplan of the AC⁵ prioritizes collaboration with the Global Environment Facility, the GCF, the Adaptation Fund and others in order to support the process to formulate and implement NAPs, and to enhance communication, awareness, coordination and complementarity of donors and funds. In the second half of 2016, the workplan provides for the development of an information paper on the experiences of countries in accessing the GCF Readiness Programme in support of adaptation, including for the process to formulate and implement NAPs.

19. Additionally, the GCF is looking to work more closely with other UNFCCC-related organizations and institutions that provide support for adaptation, including the Adaptation Fund and Least Developed Countries Expert Group. It attends the meetings of the respective bodies and the Board is scheduled to consider at B.13 ways to enhance coherence and collaboration with such bodies (see document GCF/B.13/08 titled “Complementarity and coherence with other fund”).

20. The Co-Chairs of the AC and the Chair of the Least Developed Countries Expert Group have been invited to B.13 to present on the adaptation planning processes.

3.2 Supporting adaptation in the Paris Agreement

21. The GCF, in line with its objectives and principles, is well positioned to support Article 7 of the Paris Agreement, where countries are expected to engage in adaptation planning processes and the implementation of actions.

⁵ Revised workplan of the Adaptation Committee for 2016–2018, drawn from the UNFCCC website at the following link:
http://unfccc.int/files/adaptation/cancun_adaptation_framework/adaptation_committee/application/pdf/201603_08_wp_revised.pdf

22. Upon the entry into force of the Paris Agreement, the GCF may need to, inter alia, consider how it is supporting the following:
- (a) The implementation of adaptation actions, undertakings and/or efforts;
 - (b) The process to formulate and implement NAPs;
 - (c) The assessment of climate change impacts and vulnerability, with a view to formulating nationally determined prioritized actions, taking into account vulnerable people, places and ecosystems;
 - (d) Monitoring, evaluating and learning from adaptation plans, policies, programmes and actions; and
 - (e) Building the resilience of socioeconomic and ecological systems, including through economic diversification and the sustainable management of natural resources.

IV. Possible action by the Board

23. The Board may wish to adopt the draft decision as proposed in the annex.

Annex: Draft decision of the Board

The Board, having considered document GCF/B.13/05 titled “Adaptation planning processes”:

- (a) *Agrees* to expedite support to developing countries for the process to formulate and implement national adaptation plans, consistent with United Nations Framework Convention on Climate Change decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of identified policies, projects and programmes;
 - (b) *Encourages* developing country national designated authorities and focal points, to collaborate with readiness delivery partners and accredited entities in order to submit proposals that will provide support to advance their respective NAP processes;
 - (c) *Also encourages* accredited entities to collaborate with developing countries in preparing project and programme concept notes, funding proposals, and Project Preparation Facility requests, in order to implement adaptation actions identified in NAPs and/or other national planning processes;
 - (d) *Agrees* to support proposals from accredited entities, in accordance with relevant GCF policies and principles, in order to support the process to formulate NAPs;
 - (e) *Requests* the Secretariat, in connection with relevant processes, to evaluate and approve funding requests to support NAPs on the basis of the appropriate criteria in the investment framework, and based on country circumstances and needs, taking into consideration the importance of coordination and complementarity with other NAP related initiatives and support;
 - (f) *Decides* that any funding proposal would be treated in accordance with the initial proposal approval process as outlined in decision B.07/03;
 - (g) *Takes note* of the need to enhance the work of the GCF in adaptation planning processes and the implementation of actions under the Paris Agreement for the post-2020 period, as contained in [Paris Agreement and GCF decision], in particular in relationship with Article 7, paragraph 9 of the Paris Agreement; and
 - (h) *Requests* the Secretariat to continue to engage with the Adaptation Committee and the Least Developed Countries Expert Group in improving access to financial support for the process to formulate and implement national adaptation plans.
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