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Adaptation Rationale for Project Pipelines and other Investment

Jason Spensley – Senior Specialist, Project Preparation and Adaptation Planning

GCF International Technical Workshop on Adaptation Rationale

Cebu, Philippines | 14-16 November 2018



Objectives

- 1.** Support development of project ideas with strong adaptation rationale
- 2.** Align upstream GCF (especially NAP) support with project design

Outcomes:

- Capacity increased to produce project pipelines with strong climate rationale
- Specific project ideas strengthened
- Linkages increased between outputs of adaptation planning and project development
- Methods shared for engaging private sector actors through adaptation planning
- Recommendations from participants to improve GCF guidance



Participants

NDA's with approved NAP proposals: (14)

- Antigua and Barbuda
- Armenia
- Dominica
- Dominican Republic
- DRC
- Gabon
- Liberia
- Mali
- Mauritania
- Mongolia
- Nepal
- Swaziland
- Uruguay
- Zimbabwe

NAP Delivery Partners: (10)

- AEDD (Mali)
- Department of Environment (DOE) (Antigua and Barbuda, Dominica)
- FAO (Kenya)
- Fondo Acción (Colombia)
- Fonds National de l'Eau (Chad)
- Latin America Development Bank (CAF, Mexico)
- Rainforest Alliance (Guatemala)
- South Centre (El Salvador)
- Sultan Qaboos University (Oman)
- UN Environment (Costa Rica, Dominican Republic, Ghana, Malawi, Mauritania, Mongolia, Myanmar, Nepal, Pakistan, Zimbabwe)

Direct Access Accredited Entities: (14)

- CABI
- CAF
- Caixa Economica Federal
- CDG Capital
- Cook Islands, Ministry of Finance and Economic Management
- DOE of A&B
- Fondo Acción
- Land Bank of Philippines
- MCT
- NEMA
- NRSP
- PACT
- SANBI
- SPREP



Participants

Other Civil Society Representatives:

- ActionAid
- Jubilee South Asia Pacific
- Institute for Climate and Sustainable Cities
- Pambansang Kongreso ng Kababaihan sa Kanayunan (PKKK)
- Rice Watch Action Network

Other Organizations:

- Climate Change Commission, Philippines
- Environmental Protection Agency, Ghana
- Foundation for the Philippine Environment
- Ministry of Economy and Finance, Peru
- National Economic and Development Authority, Philippines
- Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA)

Other Specialized International Organizations:

- Asian Development Bank
- CDKN
- Global Green Growth Institute (GGGI)
- International Institute for Sustainable Development (IISD)
- International Rice Research Institute (IRRI)
- Red Cross Red Crescent Climate Center
- UNICEF
- World Resources Institute (WRI)
- World Health Organization (WHO)
- World Meteorological Organization (WMO)

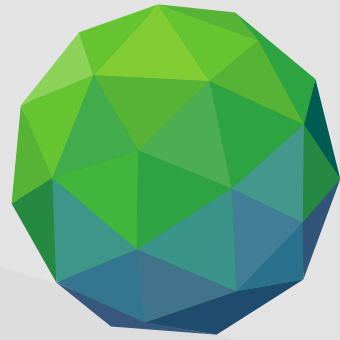
Other Private Sector Actors:

- ADM Capital Foundation
- Bank of the Philippine Islands
- Sebigas UAC
- UNEP FI Principles for Sustainable Insurance



Agenda

	Wednesday	Thursday	Friday	Saturday
AM	Opening Setting the scene	Project design	Practical discussions (Deep dives, project ideas, NAPs)	Field Trip
Lunch				
PM	Producing and using adaptation evidence base	Attracting private investment	Recommendations Wrap up	



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Session 1 - Setting the Scene

Session outline

Deploying adaptation finance for maximum impact: the importance of strong climate rationale

Ms Niranjali Amerasinghe, World Resources Institute

Key elements of climate rationale in adaptation planning and accessing GCF support to articulate it

Mr Jason Spensley, Green Climate Fund

Panel discussion on demystifying climate rationale in the GCF context:

- Ms. Saruul Dolgorsuren, Mongolia NDA representative
- Mr. Pablo Devis, Fondo Acción, Colombia NAP Delivery Partner
- Ms. Mandy Barnett, SANBI, South Africa DAE
- Mr. German Velasquez, Green Climate Fund

Discussion



WORLD
RESOURCES
INSTITUTE

ADAPTATION FINANCE: THE IMPORTANCE OF CLIMATE RATIONALE

Niranjali Amerasinghe, WRI,
Nov 14 2018, GCF Adaptation Rationale Workshop

Photo: CIAT/Flickr

DOING DEVELOPMENT DIFFERENTLY IN RESPONSE TO CLIMATE CHANGE

*Taking into account climate change as a threat to
economic and human development as well as
ecological systems*

WRI FINDINGS – GCF ADAPTATION PORTFOLIO



- Some Board Members and ITAP raised concerns about whether proposed activities are sufficiently “justified” as addressing climate change adaptation
- Proposals involving provision of water (potable, irrigation, and sanitation) and income diversification raised more concerns than others
- Quality of adaptation “justifications” provided in proposals varied

WRI FINDINGS – CLIMATE RATIONALE

- Looking at activities in isolation is not enough to determine whether they are adaptation.
- Critical to look at what **climate risks, impacts, and existing vulnerabilities** are in the short and long-term, and identify activities that address those risks, impacts, and vulnerabilities (**climate rationale**).
- Important to consider long-term projections and trade-offs
- GCF lacks clear guidance on how to demonstrate climate rationale



WRI RECOMMENDATIONS – CLIMATE RATIONALE

- Incorporate a 3-step approach to establishing climate rationale.
 - Step 1 – Identify anticipated changes in climate, its impacts, and existing vulnerabilities
 - Step 2 – Clearly articulate proposed activities and how they address expected climate risk, impacts, and vulnerabilities
 - Step 3 – Connect activities with the larger policy framework
- Integrate approach across guidance for concept notes, funding proposals, readiness, and project preparation support.
- Improve templates for concept notes and funding proposals to enable clear articulations of climate rationale.

NEED MORE DATA?



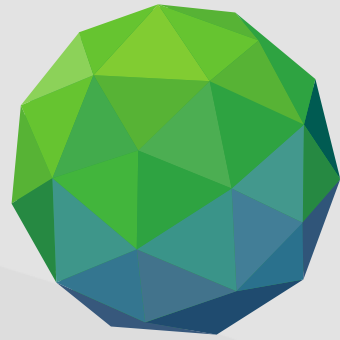
- What kind of data?
- How much data?
- How to deal with uncertainty?

Focusing on climate rationale forces us to confront gaps in information, capacities, and planning

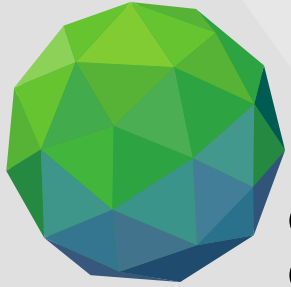
Climate readiness resources, including from GCF, are a critical opportunity

THANK YOU!

For more information, please contact Niranjali Amerasinghe (namerasinghe@wri.org)



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Key elements of adaptation rationale and using planning to attract investment

Jason Spensley – Senior Specialist, Project Preparation and Adaptation Planning

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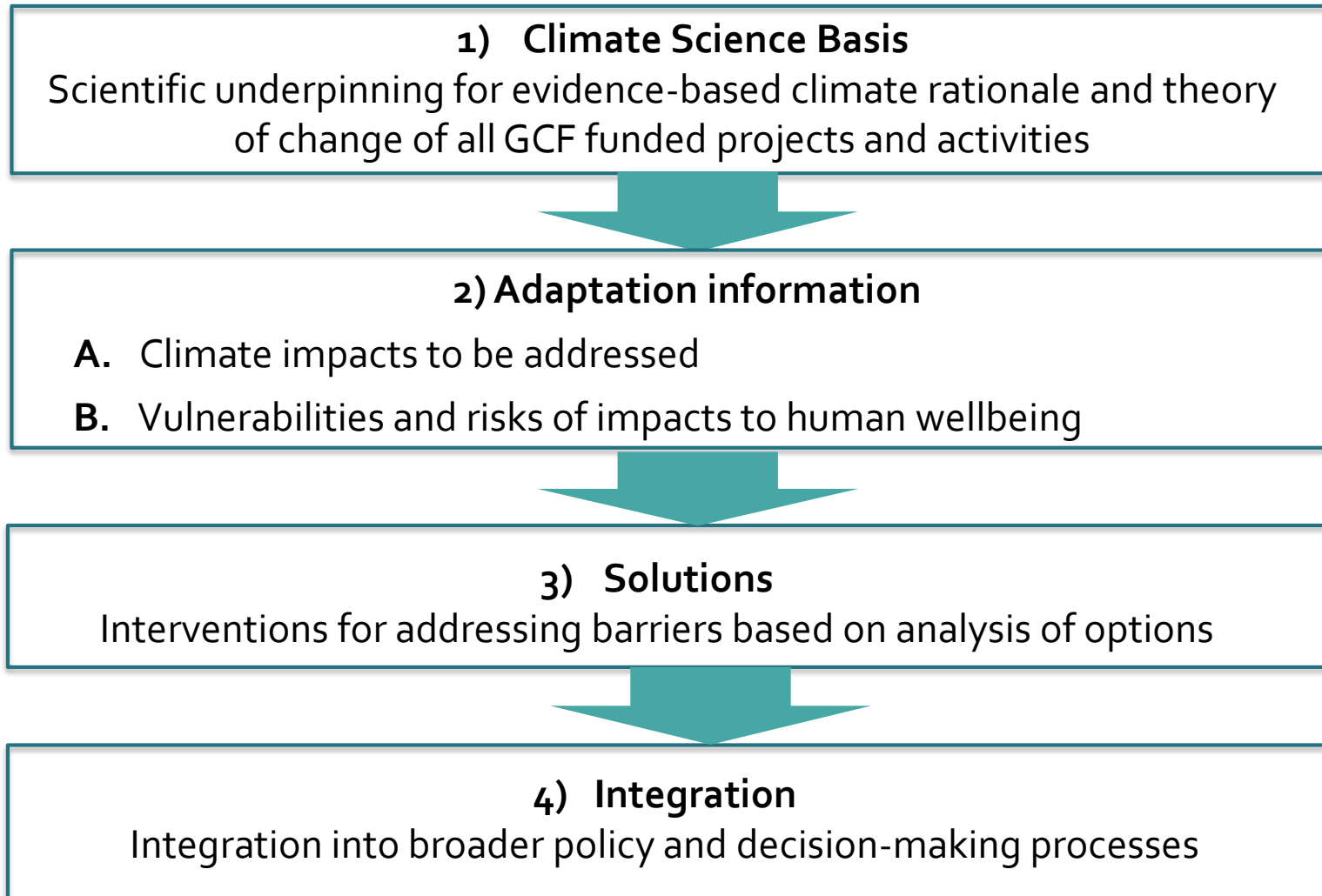


GCF project policies pending Board approval

Steps to enhance the climate rationale of GCF supported activities		
Approach and scope for providing support to adaptation activities	Options for further guidance on concessionality	Incremental and full cost calculation methodology



Steps to enhance the climate rationale of GCF supported activities



THE GCF PROGRAMMING CYCLE

GCF COUNTRY PROGRAMMING

- Priority sectors
- Project ideas
- Readiness needs
- AEs & delivery partners

READINESS

- Institutional capacity & coordination
- Direct Access
- Adaptation Planning (NAPs)
- Project pipelines

PROJECT PREPARATION FACILITY

CONCEPT NOTES

FUNDING PROPOSALS

CLIMATE IMPACT

THE GCF PROGRAMMING CYCLE

Depth of climate rationale articulated

GCF COUNTRY PROGRAMMING

- **Priority sectors**
- **Project ideas**
- Readiness needs
- AEs & delivery partners

READINESS

- Institutional capacity & coordination
- Direct Access
- **Adaptation Planning (NAPs)**
- **Project pipelines**

PROJECT PREPARATION
FACILITY

**CONCEPT
NOTES**

**FUNDING
PROPOSALS**

CLIMATE
IMPACT



GCF Support for Adaptation Planning Processes: Status

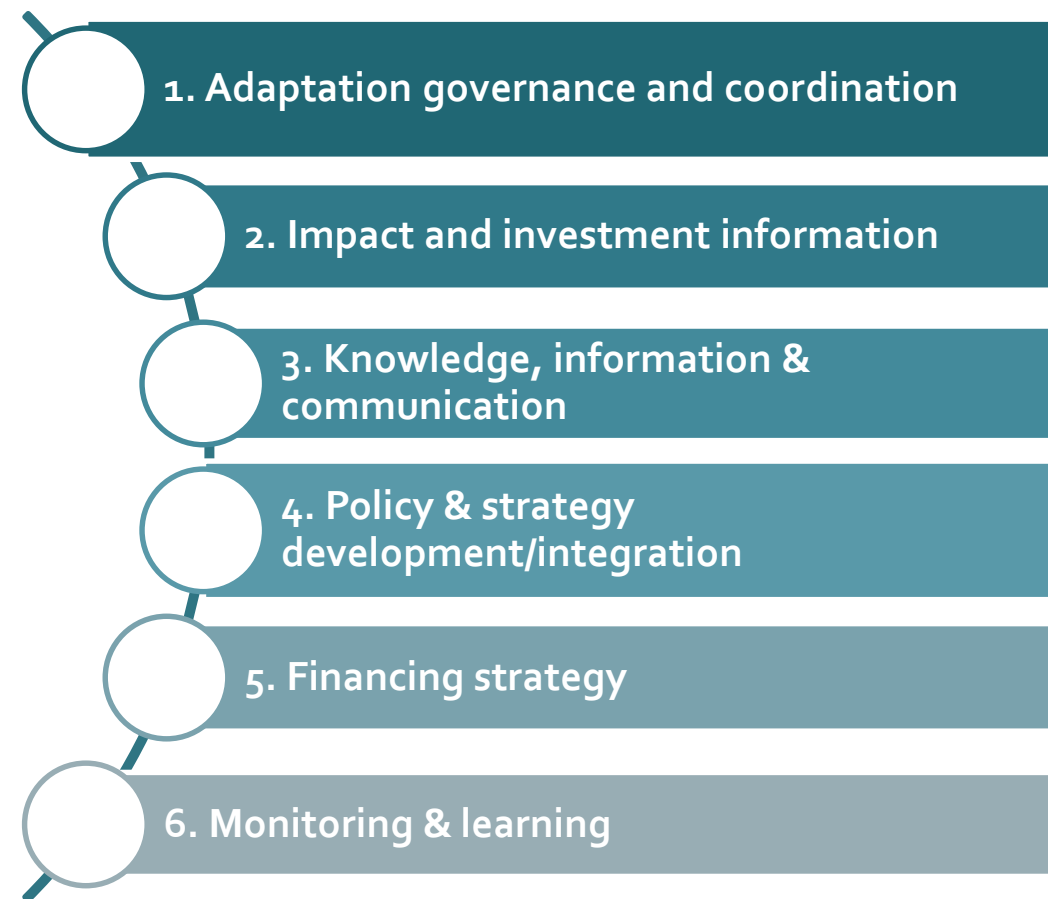
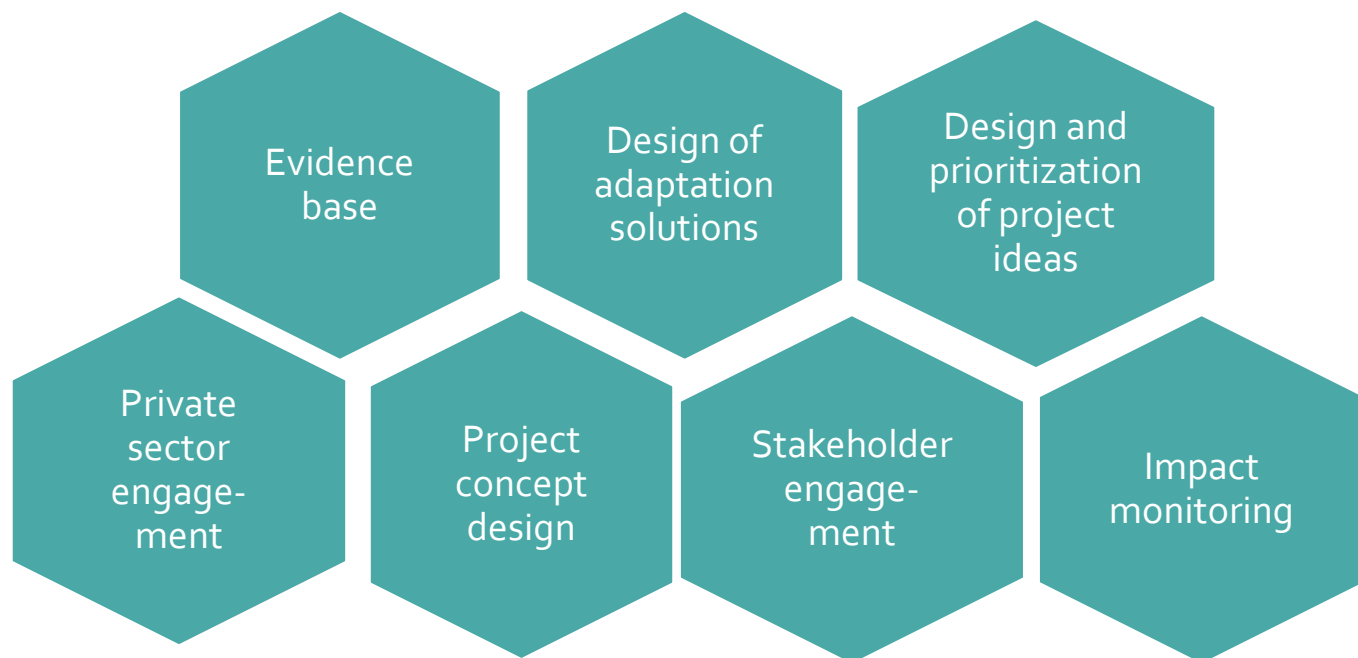
Status	Submitted	Approved + Endorsed
January 2018	40	8 (3 + 5)
November 2018	65	30 (22 + 8)





GCF support for Adaptation Planning Processes

A golden opportunity





Steps to enhance the climate rationale of GCF supported activities

(document GCF/B.21/Inf.08)

Step 1: Climate driver

Understanding the earth climate system and its drivers

Step 2: Hazard

Understanding how climate services are generated and applied for adaptation planning

Step 3: Impacts, exposure, vulnerability and risks

Understanding/identifying climate impacts, exposure, vulnerability and risks. Understanding how risks are derived from hazard, exposure and vulnerability

Step 4: Problem identification and analysis

Defining core problem based on climate rationale as a starting point for project design

Step 5: Transformation of problem to project objectives

Reversing negative statements from the problem analysis into projects objectives and desired effects

Step 6: Creation of theory of change

Creating theory of change tree to lay out a detailed strategy to achieve expected results

Step 7: Development of Logical Framework from theory of change

Translating the theory of change tree into projects' goals, outcomes, outputs and activities

Step 8: Concept note development

Understanding how a proposed design fit into GCF Project idea/concept

Establishing the climate case

Developing interventions

1) Climate Science Basis

Scientific underpinning for evidence-based climate rationale and theory of change of all GCF funded projects and activities

2) Adaptation information

- A. Climate impacts to be addressed
- B. Vulnerabilities and risks of impacts to human wellbeing

3) Solutions

Interventions for addressing barriers based on analysis of options

4) Integration

Integration into broader policy and decision-making processes



Adaptation Planning Review Criteria

and good practices

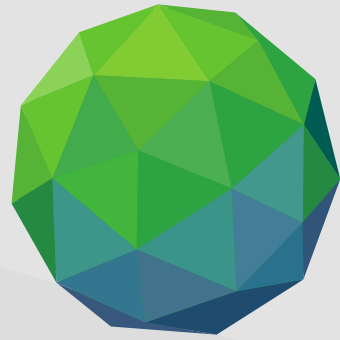
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|---|---|--|--|
| 1. Focus strategically within a national vision | 2. Plan to address specific climate impacts and vulnerabilities | 3. Develop financing strategy for each adaptation priority | 4. Articulate theory of change |
| 5. Avoid duplication of effort | 6. Engage stakeholders proactively | 7. Build gender considerations | 8. Cultivate private sector investment |
| | 9. Monitor and report systematically | 10. Coherence and complementarity with other funds | |



Adaptation Planning Review Criteria

and good practices





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Session 1 Setting the Scene – Panel Discussion

Moderator: Jason Spensley



Saruul Dolgorsuren
Mongolia NDA
representative



Pablo Devis
Fondo Acción,
Colombia Delivery
Partner and DAE



Mandy Barnett
South Africa
National
Biodiversity
Institute, DAE



Clifford Polycarp
GCF



Q&A

Send questions and vote at:
slido.com

Event code:
#GCFAdaptation