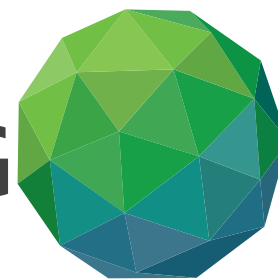


DEMONSTRATING AND ASSESSING (ADAPTATION) IMPACT POTENTIAL



GREEN
CLIMATE
FUND

Carmenza Robledo, Kénel Delusca and Caroline Petersen

iTAP members

Board Meeting 36th

11.7.2023

CONTENT

- What iTAP does, who we are
- Background regarding impact potential in the GCF context
- Key guidance for assessing adaptation impact potential in GCF
- Importance of considering future socio-economic conditions
- Key messages

ITAP MEMBERS

No	Full Name	Main areas of expertise
1	Caroline Petersen	Ecosystems
2	Rey Guarin	Climate change projects in developing countries
3	Ricardo Nogueira	Private sector finance
4	Carmenza Robledo Abad	Climate change and natural resource management (mitigation and adaptation)
5	Ina Hoxha	Mitigation, Private sector Climate investments (energy, water, waste)
6	Jan Martin Witte	Climate infrastructure, with particular focus on renewable energy and water/ sanitation across public and private sectors
7	Jurg Grutter	Low carbon transport
8	Kenel Delusca	Agriculture and food security, water resources management

ITAP ASSESSES PROPOSALS AGAINST SIX FUNDING CRITERIA (INVESTMENT FRAMEWORK)

- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Needs of the recipient
- Country Ownership
- Efficiency and effectiveness

(ADAPTATION) IMPACT POTENTIAL

Definition (investment framework)

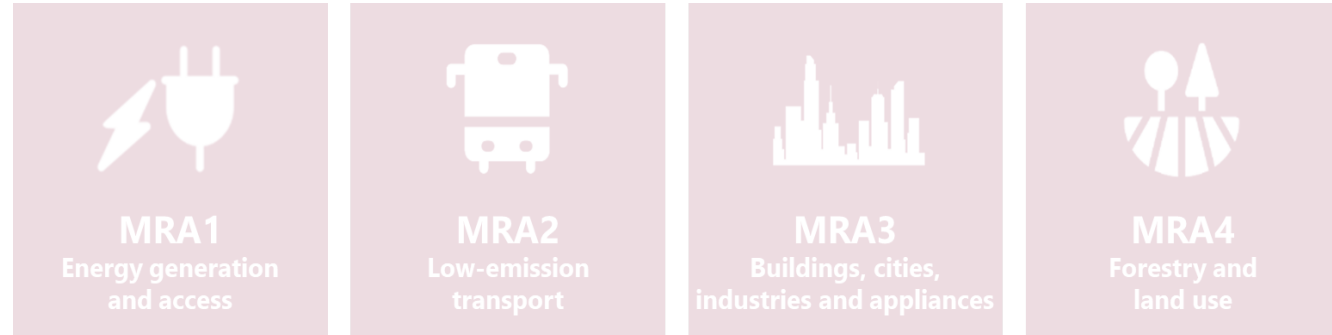
Potential of the programme/project to contribute to the achievement of the GCF's objectives and result areas

GCF objectives and guiding principles:

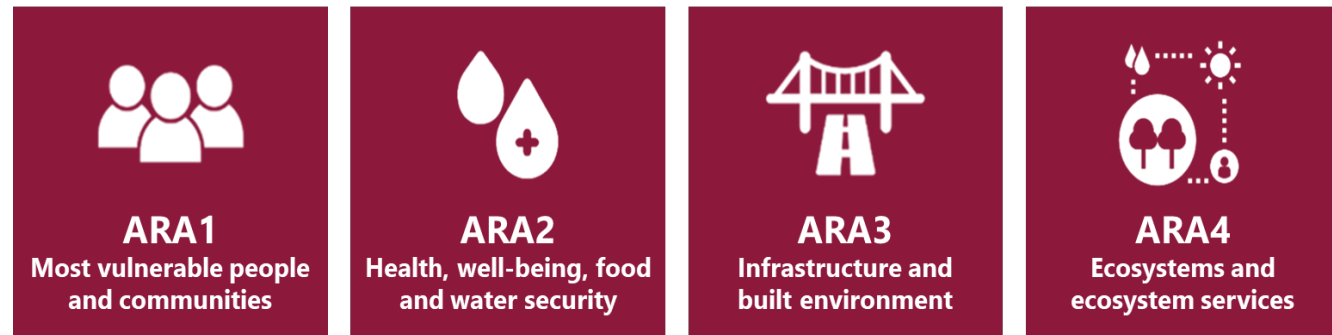
- to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to **combat climate change**
- to promote the **paradigm shift** towards low-emission and climate-resilient development pathways
- GCF is guided by the principles and provisions of the UNFCCC

Source: GCF Governing Instrument

Mitigation results areas (MRA)



Adaptation results areas (ARA)



Focus of today's meeting

EVOLUTION ON HOW TO UNDERSTAND, DEMONSTRATE AND ASSESS (ADAPTATION) IMPACT POTENTIAL



Decisions during B.33
provided a clear framework
(July 2022)



- Multiple interpretations of “climate rationale”
- Lack of clarity on how to demonstrate adaptation impact potential

Dec. B33/12: Steps to enhance climate rationale
Dec. B33/13: Guidance on the approach and scope for providing support to adaptation activities

We are currently on a transition process. That is one of the reasons for having meetings like this one

BOARD DECISIONS REG. (CLIMATE) IMPACT POTENTIAL



- Decisions of the B.33 (in July 2022)
 - Agenda item 13: Steps to enhance climate rationale (Dec. B33/12)
 - Annex VI: Principles demonstrating the impact potential of GCF-supported activities
 - Agenda item 14: Guidance on the approach and scope for providing support to adaptation activities (Dec. B33/13)
 - Annex VII: Guidance on the GCF's vision, approach and scope for providing support to enhance climate adaptation
- Integrated results management framework (IRMF) (Dec. B.29/01)

ADDITIONAL GUIDANCE

- Initial Investment framework: activity-specific sub-criteria and indicative assessment factors (policy)
- Investment criteria indicators (policy)
- Integrated Results Management Framework (IRMF): Results Handbook (not agreed yet)

DEC. B33/12 ON “STEPS TO ENHANCE THE CLIMATE RATIONALE OF GCF –SUPPORTED ACTIVITIES”



- e) Requests the Secretariat and the iTAP to **take into account the principles for demonstrating the impact potential for mitigation and adaptation** activities set out in annex VI in order to establish a more transparent and consistent approach in their guidance to accredited entities and in their assessment of funding proposals;
- f) **Recognizes the significant variation in information and data availability** across countries and contexts;
- h) Decides that the **use of best available information and data**, including from the Intergovernmental Panel on Climate Change, and from traditional, local and indigenous knowledge and practices is sufficient to form the basis for the demonstration of impact potential for GCF-supported activities, while taking into account the context of the proposal, the different capabilities of accredited entities, and country and regional circumstances

ANNEX VI (MENTIONED IN DEC. B33/) PRINCIPLES REGARDING ADAPTATION

- **Identification**
- **Response**
- **Alignment**
- **Monitoring and evaluation**

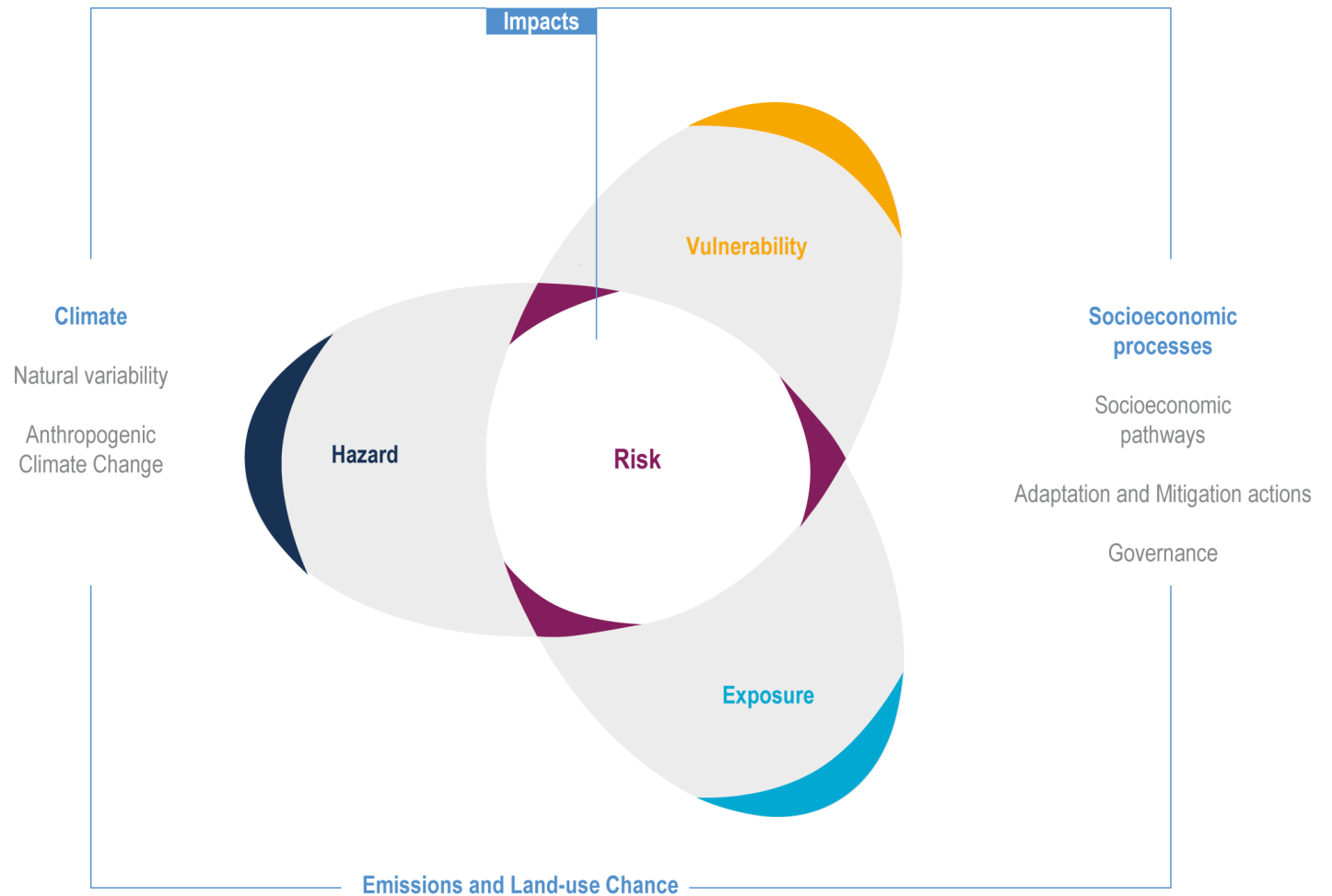
Before discussing the principles, let us clarify some key concepts

SOME CONSIDERATIONS ON ADAPTATION

Risk in IPCC assessment through time

(a) The AR5 risk graphic

According to the IPCC 6AR **climate risks and impacts** include hazards, vulnerability and exposure → all three (hazards, vulnerability and exposure) are dynamic and interact with each other → proposals claiming adaptation impact have to clarify all three



CLIMATE RISK

Determinant	HAZARD	EXPOSURE	VULNERABILITY
Definition (IPCC AR6)	The potential occurrence of a natural or human-induced <u>physical event or trend</u> that may cause loss of life, injury or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems and environmental resources.	The <u>presence of people</u> ; livelihoods; species or ecosystems; environmental functions, services, and resources; infrastructure; or economic, social, or cultural assets in places and settings that could be adversely affected	The <u>propensity or predisposition to be adversely affected</u> . Vulnerability encompasses a variety of concepts and elements, including <u>sensitivity or susceptibility to harm</u> and <u>lack of capacity</u> to cope and adapt
Examples	Floods, drought, storms,...	<ul style="list-style-type: none"> • People and ecosystems in a drought-prone area • Infrastructure in a hurricane vulnerable area <p style="text-align: center;">Context dependent!!</p>	<p>e.g. living in a drought prone area without access to irrigation</p> <p style="text-align: center;">Context dependent!!</p>
Options to address	Mitigate climate change (e.g. reduce emissions from deforestation)	<p style="text-align: center;"><i>e.g. resettlement</i></p>	<p style="text-align: center;"><i>e.g. strengthen water use associations (adaptive capacity), using drought-resistant varieties (sensitivity)...</i></p> <p style="text-align: center;">Context dependent!!</p>

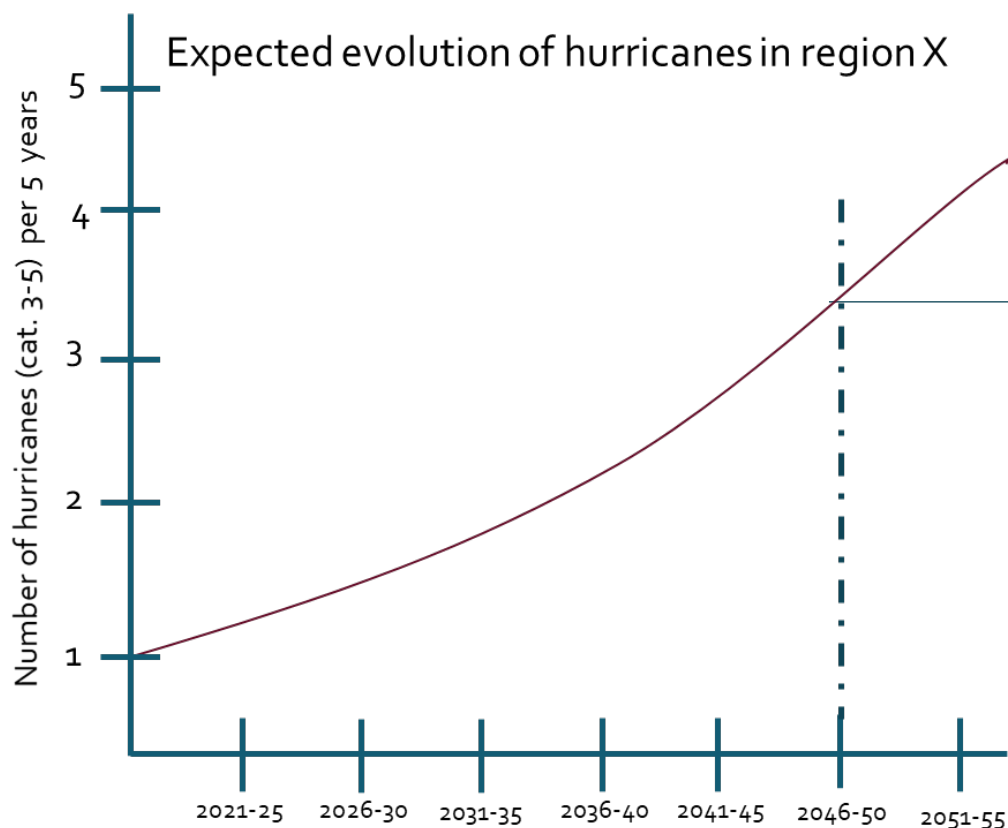
IMPORTANCE OF CONSIDERING FUTURE SOCIO-ECONOMIC CONDITIONS IN DEMONSTRATING AND ASSESSING CLIMATE RISK AND ADAPTATION POTENTIAL



For understanding future exposure and vulnerability, as determinants of climate risk, one needs to include institutional and socio economic projections or expected future conditions, e.g.

- Will the population grow, decrease or stay stable?
- How will development policies be affected over time (e.g. promotion of a specific crop)?
- What are expected changes in income (due to non-climatic variables)?

Simplified example



At a given moment, with the same expected hazard,

Exposure is different if the expected population in the area by 2046 is
a) 10'000 people, or
b) 100'000 people

and/or

Vulnerability is different if the expected insurance level of households in the area by 2046 is
a) 10 % of the population, or
b) 80% of the population

ANNEX VI (MENTIONED IN DEC. B33/12) ON PRINCIPLES REGARDING ADAPTATION

- **Identification:** how the activity addresses current or future projected climate risk or impact and why it will be effective
 - Present and future conditions (hazards, exposure and vulnerability)
 - Non-climate drivers
- **Response:** how the activity will reduce exposure and/or vulnerability (of people, systems, or ecosystems) → lessen climate risk
- **Alignment:** with the host country's national plans and climate strategies
- **Monitoring and evaluation:** well designed ToC, description of the monitoring and evaluation system (for assessing adaptation outcomes and quantifying beneficiaries)

DEC. B33/13 AND ANNEX VII ON VISION, APPROACH AND SCOPE FOR ENHANCING CLIMATE ADAPTATION

- e) ... *decides that in order to demonstrate such potential to adapt, adaptation proposals will include an **evidence-based analysis** to show that the proposed activity is likely to be an effective adaptive response to the risk or impact of a specific climate change hazard, based on best available information and data including, inter alia, the IPCC, and traditional, local and indigenous knowledge and practices;*
- In its annex VII key aspects are mentioned based on the IPCC 6AR, including:
 - The need to accelerate **systemic adaptation responses**
 - The importance of transformational adaptation
 - **Ecosystem based Adaptation** (EbA)
 - Link between climate vulnerability and **gender inequality**

FURTHER USEFUL REFERENCES WHEN ASSESSING (ADAPTATION) IMPACT POTENTIAL IN GCF



The **Investment Criteria and the Integrated Results Management Framework (IRMF)** provide sets of sub-criteria and indicators that are useful when conducting the assessment of the proposals. According to the IRMF a project/programme needs to include in the logframe baseline values for each indicator/ measure

The (draft) Handbook provides detailed information and clarification, as well as some guidance to the Secretariat and iTAP. However, the document has not yet been agreed/endorsed by the Board.

KEY MESSAGE 1

- The GCF Board has provided a **clear framework and corresponding guidance for developing and assessing proposals** aimed at enhancing climate adaptation impact with GCF support.
- These decisions by the Board guide the work of the Accredited Entities, the Secretariat and iTAP and ultimately the funding decisions by the GCF Board

KEY MESSAGE 2

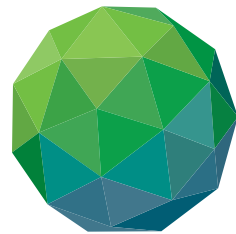
According to the Board decisions, when claiming adaptation impact the proposals need to clarify adaptation...

PRINCIPLES	
<ul style="list-style-type: none"> • ... of whom/what? (people, systems) • ... to what? (climate risk and impacts, current and future) 	Identification
<ul style="list-style-type: none"> • ... when and how? (this activity/project/programme will reduce climate vulnerability/increase climate resilience) 	Response and alignment with national policies
<ul style="list-style-type: none"> • ..tracking progress when and how? 	Monitoring and evaluation

KEY MESSAGE 3

- **iTAP is open to engage with the Secretariat, the NDAs and the AEs in increasing understanding of the guidance and decisions by the CGF Board with regard to enhancing climate adaptation.**

THANK YOU VERY MUCH FOR YOUR ATTENTION!!



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action.**

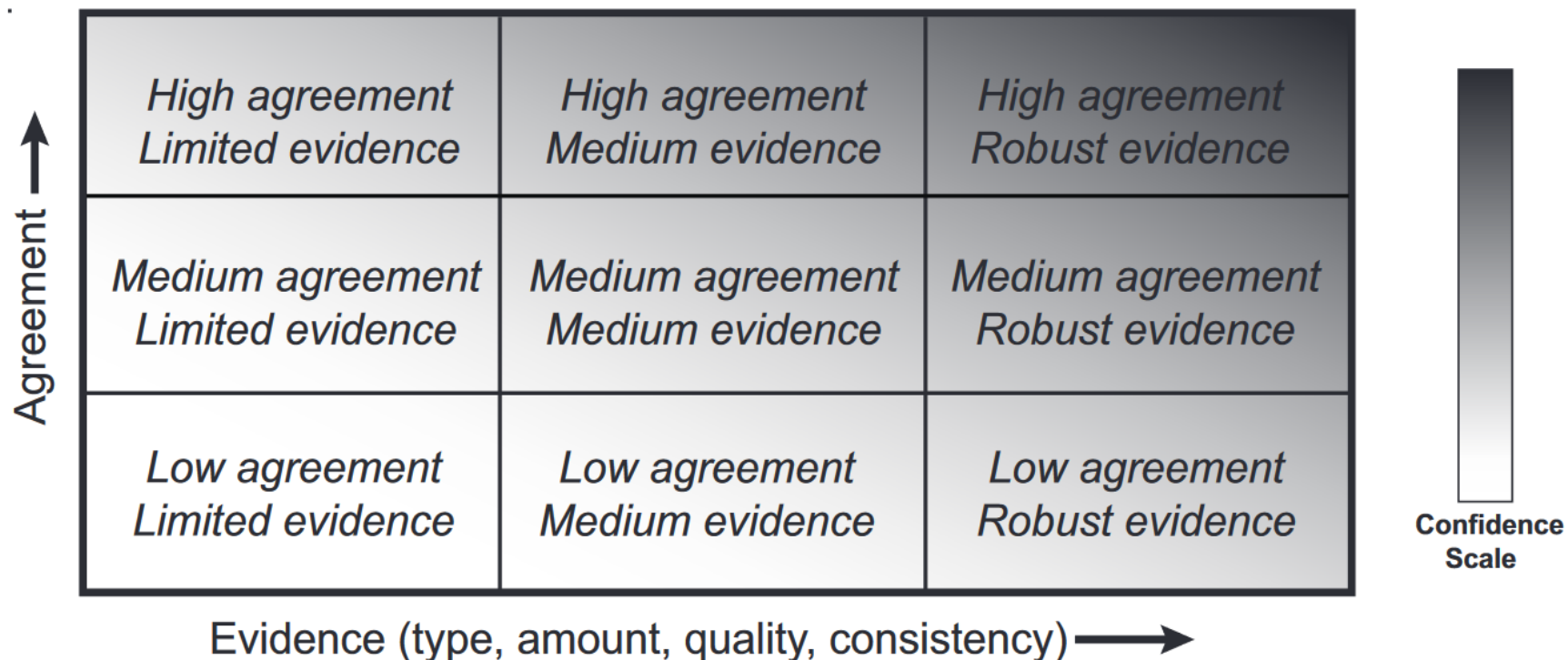


Figure 1: A depiction of evidence and agreement statements and their relationship to confidence. Confidence increases towards the top-right corner as suggested by the increasing strength of shading. Generally, evidence is most robust when there are multiple, consistent independent lines of high-quality evidence.

Source: IPCC 2010. Mastrandrea et al, Guidance note for the Lead Authors of the IPCC Fifth Assessment Report on consistent treatment of uncertainties.

<https://www.ipcc.ch/site/assets/uploads/2018/05/uncertainty-guidance-note.pdf>