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Technical Expert Workshop on Climate Adaptation Finance

Report

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Executive Summary

The Technical Expert Workshop on Climate Adaptation Finance was held on 5-6 March 2018 at Oakwood Premier Hotel in Songdo, Incheon, Republic of Korea. This two-day workshop was organized to collect expert views on climate adaptation practices and approaches to adaptation finance. A total of 42 experts attended from different regions and varying institutions including government, research, funding institutions and civil society organizations. The relevant implications and recommendations from the workshop shall be used as inputs for the GCF Secretariat's proposal for guidance on the approach and scope for providing support to adaptation activities.

On defining adaptation activities, it was noted that the GCF intends to promote low carbon and climate resilient development. Its goal is thus not to differentiate adaptation from development but to engage development to enable these to become low carbon and resilient. The workshop noted that differentiating between development and adaptation while relevant to some extent at the international, national and subnational levels, becomes irrelevant at the local level. The need, therefore, is to promote an integrated approach. However, to enable this, strengthening climate rationale is important. It was also noted that although climate change data exists to better understand the climate rationale, linking the same data to projects is found to be difficult.

It was also noted that existing national adaptation planning processes, such as the NAP, can be used to move towards a more programmatic and integrated approach, and at the same time, improve project proposal planning. At the moment, there seems to be a lack of capacity in terms of applying information analysis, transferring skills to national level, generating local data, integrating climate information to existing plans and finally, putting all these into high-quality proposals.

In designing strategies, plans and projects for climate adaptation it was noted that increasing adaptive capacity requires understanding baselines, and uncertainty and unpredictability. In addition, driving private large-scale investments in local scale adaptation actions among the most vulnerable requires investments on enablers for adaptation actions by the private sector. Utilizing social and economic benefits as incentives to establish policy is one such enabler. In addition, private sector requires better information on data and quantification of risks such as technology risks. Finally, early engagement of the private sector during strategic planning process would be necessary.

On financing trends, it was noted that there is a significant adaptation finance gap in international public finance flows and it is likely to increase. It was also observed that development finance institutions have the largest contribution to climate finance flows at 84 per cent of total flows. This includes multilateral, bilateral and national finance institutions. Domestic public adaptation expenditure and finance frameworks are moving from grants to low-cost project debt as financial instruments used to channel climate finance flows. Also, adaptation is emphasized as taking cost effective measures following diligent risk assessment. Investment decisions can have adaptation built in with risk transfer mechanisms to consider residual risks.

The workshop noted that the key barriers of investments are policies and regulations within countries, which create both positive and negative incentives. It was important therefore to

promote policy dialogues and improvements in the regulatory frameworks. Other barriers include risk, knowledge and capacity deficits, business case for adaptation and non-financial interventions. The need to fill the information gap was noted and the need to reach out to other stakeholders through capacity building and dialogues with specific emphasis on the use of readiness support and public-private partnerships was stated. Finally, understanding the larger market opportunities and challenges to support private sector engagement should be considered in creating solutions.

In terms of measuring adaptation, the workshop noted that indicators should be scalable and need to be linked to wider assessments of project structures. It is concerning to have standardized indicators and a one-size fits all approach does not work. Three principles to consider with indicators development are i) to have specific purpose, ii) to have flexibility to be responsive and reflective of national circumstances, and iii) to capture unintended and unexpected outcomes through monitoring and evaluation systems. It is important to understand the context and develop narrative to make use of indicators. In addition, behavioral changes, for instance, is an important measurement but it is difficult to measure short-term. It needs to be measured in a longer timeframe beyond project cycle. Elements of maladaptation also need to be identified at the time of project review. This needs to be done in the context of transformative change, but not at the expense of incremental change. Finally, it is important to measure reduced vulnerability with a detailed analysis on linking vulnerability with baselines.

The following was highlighted as necessary issues to be explored in terms of promoting better understanding of the impact of climate investments specific to the private sector: i) initiate R&D for return on investment which appeals to private sector engagement; and ii) create private sector learning group to measure results from private sector and to resolve the issue of transparency (i.e., information sharing).

I. Background

1. In order to provide support to adaptation activities more effectively, at its Seventeenth meeting, the GCF Board requested the Secretariat through its decision B.17/10, to develop a proposal for the GCF's "guidance on approach and scope for providing support to adaptation activities".
2. To formulate this proposal, the Secretariat is utilizing different methods to gather inputs from various sources including engaging the World Resources Institute to perform background research and consulting the GCF's Private Sector Advisory Group. As a part of this effort, this two-day technical expert workshop was organized to collect expert views on climate adaptation practices and approaches to adaptation finance.

II. Workshop Overview

3. The workshop was held on 5-6 March 2018 at Oakwood Premier Hotel in Songdo, Incheon, Republic of Korea, hosted by the Green Climate Fund. The agenda is outlined in Annex 2.
4. The workshop participants were technical experts invited based on their individual expertise in climate adaptation and nominated experts from the Adaptation Committee, LDC Expert Group, and Standing Committee on Finance of the UNFCCC. A total of 42 experts attended from different regions and varying institutions including government, research, funding institutions and civil society organizations. The list of participants is attached to the report as Annex 3.
5. The participants were also encouraged to provide opinions and insights on the workshop topics and questions prior to the workshop. These thought papers were gathered by the GCF Secretariat to be utilized as a source of inputs on developing the guidance.
6. The workshop was also attended by 20 – 25 GCF Secretariat staff who acted as moderators, facilitators, note takers and logistics support. They also provided their inputs on the session topics during the discussions.

Objectives and Expected Outcomes

7. The objectives of this workshop were to explore the current status of climate adaptation finance and activities and identify emerging best practices in climate adaptation projects and programmes.
8. The conclusions and recommendations will subsequently be used to inform the Secretariat of the best practices from other multilateral funds and other approaches. Furthermore, the outcome of the workshop will be used to develop the proposal for guidance on approach and scope for providing support to adaptation activities by the GCF Secretariat.

Workshop Format

9. The workshop was divided into four sessions which were each moderated by a GCF Secretariat staff. Each session started with a fire starter's presentation which aimed to incite the participants and frame the discussions for each session. These presentations are found in Annex 5-8.
10. This was followed by panel discussions by four selected experts. The experts were asked to respond to the fire starter's presentation and give their feedback and further inputs on the topic. Shortly after, the participants in the audience were provided an opportunity to pose questions to the panelists and provide their comments on the discussion.
11. Subsequently, participants, in six breakout groups, were asked to consider a set of questions designed to identify:
 - Practical examples of well-designed climate adaptation activities and projects, including lessons from implementation cases and practices;
 - Elements that constitute a strong climate justification in adaptation;
 - Practical and implementable approaches to climate adaptation finance; and
 - Ways in which GCF could work with its partners and utilize relevant supporting tools to attract high quality adaptation proposals across public and private sector funding windows.

III. Summary of Discussions

Session 1 Defining adaptation activities

Presentation and Panel Discussion

12. Christina Chan of World Resources Institute presented on the topic of defining adaptation activities as “fire starter” of the session. This presentation is found in Annex 5. Her key discussion points can be divided into what is going well and what can further be improved:

What is going well?

- Currently, there has been increasing focus on integrating adaptation within the wider policy frameworks and broader development goals and objectives. Policy level is catching up with the local or community level where people do not think in silos or groups.
- There has been recognition that institutional capacity and stronger enabling environments are critical where technologies and hardware available should be translated into usable and actionable forms through building capacity, governance and training.
- We have seen communities reducing vulnerability to climate change and strengthening their adaptive capacity; however, the metrics and measures to communicate these efforts need to be improved.

What can further be improved?

- We need to further understand climate risks and impacts to account for maladaptation and ensure that the decisions we make are flexible, robust and durable.
 - We need to approach adaptation in a more integrated and cross sectoral manner where the sectors or ministries communicate and collaborate with each other identifying tradeoffs and co-benefits recognizing the importance of good governance and participation.
 - We need to translate plans into implementation and action as there is much more that can be done in implementation, particularly in relation to public sector budgeting.
 - There is increasing evidence that transformative changes may be necessary to prepare for climate impacts. We need to better in climate proofing and change our perspective ending the dichotomy between adaptation and development.
13. Following the presentation, panelists were asked to discuss upon the fire starter’s key messages. The panelists included Annett Moehner of the United Nations Framework Convention on Climate Change, Lia Nicholson of the Department of Environment of Antigua and Barbuda, Mariana Simões of United Nations Development Programme, and Helen Magata of Tebtebba Foundation. They provided numerous comments some of

which reinforced the fire starter's key discussion points while some diverged from her points:

- UNFCCC is leading the integration of climate change into national policies and to broader policy frameworks.
- Empowering different sectors to do adaptation planning is essential. In addition, more representation at the international level from different sectors is important. While there are international inter-sectoral committees and ministries, the discussions or conversations that take place in these meetings need to be put into action.
- Support is available from the convention and the GCF as stated in the Paris Agreement in developing National Adaptation Plans as well as determining baselines, evaluating impacts, and costing.
- More efforts need to be made for indigenous peoples as some communities are still left behind. Ensuring that indigenous practices and traditional knowledge are not taken away is important.
- Support is needed to bring interventions to scale and to engage the private sector to push forward the transformation that is needed.

14. In addition, the audience was given time to provide comments regarding the panel discussion and below are some key points:

- Differentiating is relevant to some extent at the international, national and subnational level because it's about funding, but it becomes completely irrelevant at the local level. The problem is asking the same questions to the different levels. Distinguishing between development and adaptation can have serious consequences at the local level.
- Capacity building is very important to be able to translate technologies and available information locally.
- We should support innovation (e.g. creation of a revolving fund, etc.) to create an integrated approach to adaptation and development.

Breakout Session

15. At the start of the breakout group discussion, the participants were divided into six groups to address the following key questions:

- How do we clarify the difference or distinguish between adaptation and development?
- How do we find and present relevant climate change predictions and impacts for a stronger climate rationale?
- How is the specific link defined and clarified between proposed strategies or programme or project activities and climate change (narrative, hypothesis, theory of change)?
- How are co-benefits, synergies, vulnerabilities and trade-offs defined, identified, and measured in climate adaptation?

- What metrics and methodologies exist for identifying costs of adaptation and separating out incremental costs and benefits?
16. The first key question for session 1 was “How do we clarify the difference or distinguish between adaptation and development?” This was tackled by the Table 1 group of participants. The key observations of participants include:
- Discussions on trying to separate development and adaptation may be counter-productive, as it can be simple in specific cases, but it can be very complex in other cases. What is important is to determine specifically what GCF should pursue and fund.
 - A set of principles and clearer guidance is needed to carry this issue forward. Principles should be contextualized locally and should not be an indicative list of activities. Guidance should also be harmonized with the UNFCCC and other existing frameworks and guidance for ease of implementation by countries. Policies within the GCF should also be set in place (e.g. co-financing policy).
 - Movement to a more systematic way of adaptation is necessary where we look into programmes rather than individual projects. At the moment, we are pursuing adaptation with a project-based mindset. In addition, there is a huge gap between NDCs and projects.
 - It is important to define transformational change and paradigm shift, and actually pursue this – looking at the longevity and sustainability of projects and programmes.
17. The second key question for session 1 was “How do we find and present relevant climate change predictions and impacts for a stronger climate rationale?” The question was tackled by the Table 2 group of participants and their key observations are:
- Climate change data exists but linking it to projects is difficult due to uncertainties in reports, poor acceptance of indigenous and traditional knowledge, and linking project resources to results. However, we can use the best available scientific data while recognizing uncertainty (WMO, IPCC).
 - There is a repeated burden of proof where National Adaptation Plans also require formulation of strong climate rationale at the country level and we must avoid duplicating efforts. However, we can use existing National Adaptation Plans and other adaptation planning processes to overcome the burden of proof as we move towards a more programmatic approach, improve project proposal planning, and use guidance from the convention.
 - There is huge lack of capacity in terms of applying information analysis, transferring skills to national level, generating local data, integrating climate information to existing plans and finally, putting all these into high-quality proposals. But existing support made available through a combination of technical support and capacity building should be maximized despite the gaps, specifically looking into long-term impacts.

i. Look at the Caribbean model for insurance.

ii. *Look at the Global Environment Facility's way for approach to climate rationale.*

18. The third key question for session 1 was “How is the specific link defined and clarified between proposed strategies or programme or project activities and climate change (narrative, hypothesis, theory of change)?” The Table 3 group of participants discussed the question. The key observations of the participants were:

- There is a need to clarify the context of vulnerability. Differentiating between top-down and bottom-up is important since this affects the information sharing process.
- Keeping in mind the unpredictability of impacts, flexibility should be built into the system.
- The business case for resilience is different for mitigation as the former deals with risk avoidance.
- Actions that can be promoted in packaging the projects should be mapped out to be able to tell the climate change story that appeals to the GCF and reflects what's on the ground.
- We need to build on better practices considering forecasting, timescales, financial innovations, standardizing institutions and building processes.

19. The fourth key question for session 1 was “How are co-benefits, synergies, vulnerabilities and trade-offs defined, identified, and measured in climate adaptation?” This question was tackled by table 4 and a summary of the participants' key finding are listed below:

- We lack definitions of how to measure adaptation since it is a moving target. We also lack the ability to measure co-benefits and synergies on the ground.
- Having a narrow scope in evaluation can create mal-adaptation which needs to be avoided.
- Donors have an opportunity to use new information specifically at the community level.
- Definitions for trade-offs, co-benefits and synergies should not be strict and must be flexible to accommodate different levels.
- GCF lacks guidelines for decision-making by the board on the approval of projects with consideration of co-benefits.
- *The approach of REDD+ where an integrated risk management approach and vulnerability assessment tool were used to develop a project was mentioned as an example.*

20. The fifth key question for session 1 was “What metrics and methodologies exist for identifying costs of adaptation and separating out incremental costs and benefits?” This was tackled by the Table 5 and Table 6 groups of participants. The discussion points are summarized below:

- Distinction between adaptation and development is merely academic and yet, this question needs to be solved in a way that helps identify particular interventions.

- There is no existing metrics that reflects reality and there is difficulty in assessing incremental costs and benefits.
- There should be a common ground across all methods. There is a need for common conceptual framework rather than standardization of methodologies.
- It would be more appropriate and useful for GCF to think more of a principles approach in terms of guidance.
 - i. The Asian Development Bank developed a methodology for Pacific islands project.*
- The costs cannot be monetized, and the challenge is how to incorporate long term losses avoided and benefits gained in analysis.
- Costing issue can be more project or programme level focused. Global and regional, national, sectoral perspectives are needed to investigate what we know about cost of adaptation. At the moment, there is more of lack of comparability and transparency. Important from the finance perspectives may be to compare the cost-benefits, so that the resources are used efficiently and effectively.
 - i. GEF/LDCF sliding scale*
- It was agreed that political will and leadership presence is critical to back up these methodologies and frameworks. One way to ensure this is to integrate those methodologies into public expenditures.

Session 2 Design of strategies, plans and projects for climate adaptation

Presentation and Panel Discussion

21. Anne Hammill of the International Institute for Sustainable Development presented on the opportunities and challenges in design of strategies, plans and projects as “fire starter” of the session. There are more profiles such as NDCs and NAPs, resources, tools and processes available to support adaptation planning, Still, there are great needs to match resources with strategic visions, as well as to organize and share tools and processes. Strategic communication of climate information, especially getting right actors involved is an area of importance. Challenges remain in articulating the adaptation logic and justification, enhancing adaptive management of adaptation especially for donors, and vertical integration in planning. This presentation is found in Annex 6.
22. The presentation was followed by a panel discussion. For the discussion, Chizuru Aoki of Global Environment Facility, Mandy Barnett of South African National Biodiversity Institute, Christoph Jungfleisch of Yapu Solutions and Harjeet Singh from ActionAid International joined as panels. They provided comments which are summarized as following:
 - Country experience shows a movement from NDC, to adaptation plans, to design of projects and attracting investment. It is important to empower direct access entities

(DAEs) to address the needs of the country with funding framework underneath national and GCF policy (ex. SANBI).

- In such designing process and long-term programmes, an indicator could be whether local communities feel empowered to come up with innovative solutions and feel safe. Increasing adaptive capacity requires understanding baseline, and uncertainty and unpredictability must be built in the project cycle.
- Driving private large-scale investment in local scale adaptation actions among the most vulnerable is also another critical area. The challenge for financial institutions are to overcome high operational costs and barriers. Regional banks are aware of risks, but they encounter problems in operationalizing and factoring in such risks into their operations.
- Climate funds including Global Environment Facility gained learning in supporting countries in design of strategies, plans and projects which can inform GCF in the areas of relevance. There is the need for adaptive management. Through LDCF's support on NAPA process, all LDCs have identified urgent and immediate needs in adaptation. Catalytic elements that climate finance institutions and donors identify in a project is replicability. Projects need to also show co-benefits and be instrumental in longer-term relationship.

23. The floor was open for comments from the audience, which are summarized as following:

- Climate rationale in projects is a critical factor of consideration.
- Risks are transferrable transnational, which adds lots of opportunities for coordination at regional level.
- In order to maintain project sustainability, important factors of projects are i) available financial and human resources post-project including elements to catalyze additional finance, and ii) localized and adapting options available.
- To scale up adaptation actions, it may be important to invest on enablers for adaptation actions as they are often not the first tier of actions. Utilizing social and economic benefits as incentives to establish policy is another area of opportunity.
- Private sector requires better information on data and quantification of risks such as technology risks. Projects and programmes also need to focus on the last mile of distribution.

Breakout Session

24. At the start of the breakout group discussion, the participants were divided into six groups to address the following key questions:

- How are countries building from NDCs to National Adaptation Plans (NAPs) and other adaptation planning processes for driving to catalytic projects?

- What are the critical processes and methods that climate finance institutions such as the GCF should support to help countries to drive catalytic adaptation projects and investment?
 - How can private sector actors be effectively engaged in design of adaptation strategies and plans for catalyzing adaptation finance, given their specific motivations?
25. Table 1 and 4 groups of participants tackled the first key question – *How are countries building from NDCs to National Adaptation Plans (NAPs) and other adaptation planning processes for driving to catalytic projects?* Below are key observations.
- NDCs are more of a communication document and there is no guideline on how countries should prepare NDCs.
 - NAPs can be investment plan for the NDCs and can be an iterative process where it is continuously updated. It is important to access funding for NAPs, especially enabling environment and institutional readiness.
 - i. Antigua and Barbuda NDC*
 - ii. Bhutan NDC*
 - Yet, NAPs and NDCs are not the only planning tools used by nations, and many countries have specific sectoral climate adaptation plans and local adaptation plans with varying level of legal commitments.
 - Using NAPs to build a portfolio may be biased. It would be necessary for GCF to evaluate the status of NAPs whether they are strategic.
 - It would be smarter for GCF to focus less on the planning step but more on the key elements of mainstreaming and integrating adaptation into sectoral plans. The readiness funding needs to be used strategically.
 - It may be also useful for GCF to move away from the norm of national and take regional approach, for example, evaluating trans-boundary adaptation plans. However, this approach may create the question of how to ensure country ownership.
 - Climate rationale and data should not be sought at project scale as it increases probability of maladaptation.
26. Table 2 and 5 groups of participants tackled the second key question – *What are the critical processes and methods that climate finance institutions such as the GCF should support to help countries to drive catalytic adaptation projects and investment?* Below are key observations.
- Current GCF approach is very project-centric. The challenge with the readiness funding is that it is deliverable based, where most of the funding is dedicated to high consultancy fees. It is important to ensure that focus of readiness funding should be on capacity building of NDAs. The funding can be used to support training through peer learning, technical workshops and providing guidance on GCF processes and instruments.

- Currently lack of lateral and vertical coordination leads to limited country ownership. In the context of government capacity, GCF currently has nothing on sub-national level.
 - Developing countries require support for i) high quality proposals, ii) the process of NAP preparation, and iii) moving NAP preparation to implementation.
 - There is the need to differentiate between country programme preparation and project proposal preparation. These two require different layer of stakeholder engagement, in addition to identifying the links for the missing links between these different processes.
27. Table 3 and 6 groups of participants tackled the last key question – *How can private sector actors be effectively engaged in design of adaptation strategies and plans for catalyzing adaptation finance, given their specific motivations?* Below are key observations.
- The definition of private sector includes: i) banker (rule-shaper); ii) operators and developers; iii) consumers goods (value chains); iv) insurance firms (risk identifiers); v) financial services (investment firms); vi) MSMEs; and vii) tech companies.
 - The barriers to private sector engagement were identified to include i) lack of information of insufficient outreach; ii) lack of capacity to measure and manage known climate change risks; and iii) mixed inconsistent part of country and national discussions which depends on country.
 - It could be recommended that GCF can work on providing tailored information to specific private sector actors as sometimes, the private sector doesn't even know the investment opportunity of GCF. It was suggested for PSF to establish technical advisory unit to work with NDAs to bring forward proposals that GCF can invest directly and work with AEs.
 - Case studies or small initiatives/projects that provides visibility to private sector could have powerful demonstrative effect.
 - Early engagement of the private sector during strategic planning process would be necessary. Setting up efforts in the readiness programme for private sector engagement in countries would be necessary.
 - The GCF could step up its efforts to get more private sector entities in addition to the MDBs. It would be useful to build upon private sector experience and present issues from their perspective to reframe the dialogue and identify the added value of GCF.

Session 3 Financing trends

Presentation and Panel Discussion

28. Anne Olhoff of the United Nations Environment Programme and Technical University of Denmark Partnership presented on the topic of financing trends as the sessions' "fire starter". This presentation is found in Annex 7. Her key discussion points included the following:

- There is a significant adaptation finance gap in international public finance flows and it is likely to increase.
 - A study reveals that development finance institutions have the largest contribution to climate finance flows at 84 per cent of total flows. This includes multilateral, bilateral and national finance institutions.
 - Domestic public adaptation expenditure and finance frameworks are moving from grants to low-cost project debt as financial instruments use to channel climate finance flows. Low-cost project debt now comprises 53 per cent of all flows.
 - Within adaptation, investments largely go to water and waste water management which accounts for 55 per cent of the total flows tracked, followed by agriculture with only 13 per cent.
 - It is important to note that there are limitations in the study of financial flows as it does not account for domestic public flows from governments as well as private sector flows.
 - There is limited evidence to confirm effectiveness of adaptation spending and GCF can play a strategic role in ensuring this.
 - It is important to mobilise private finance for adaptation through the use of financial and non-financial instruments. However, there will be limitations to scope of support across sectors and income levels.
29. Following the presentation, panelists were asked to discuss upon the fire starter's key messages. The panelists included Julio Cordano from the UNFCCC Adaptation Committee, Gerry Lemcke of Swiss Reinsurance Company Ltd., Daouda Ndiaye from the Adaptation Fund and Spencer Thomas from the Government of Grenada. They provided numerous comments on the topic including the following key points:
- *A survey of adaptation actions and needs was conducted by the UNFCCC Adaptation Committee to identify opportunities and risks for the private sector in the face of climate change which showed that the concerns do not differ from vulnerable groups. They also identified difficulties in developing strategies for adaptation including lack of awareness and knowledge, limited financial capacity to address risk and challenges, and policies and regulations that hinder adaptation. The private sector also identified foreseen opportunities related to climate change with most opportunities relating to how the business can be expanded for new profitable activities.*
 - On private sector investments for adaptation, the problem is of demand. The role of GCF can be to create demand through awareness, education and knowledge sharing.
 - Adaptation is taking cost effective measures following diligent risk assessment. Investment decisions can have adaptation built in with risk transfer mechanisms to consider residual risks. *There are numerous examples of public-private risk transfer solutions being carried out by Swiss Reinsurance.*
 - Data, capacity and technology is there, but there is a need for intermediaries that can help within a country or regional level to provide the data and technology that is

needed. Coordination role can be put on GCF to put together all actors from different levels.

- Highly indebted countries like the Caribbean face an issue of low capacity to borrow as their economic classification does not allow them to access ODA assistance. GCF should consider filling this gap specifically looking into resilience infrastructure and insurance.
30. Participants in the audience were given the opportunity to provide their comments after the panel discussion. The key findings included:
- There is an interest in insurance, but there is no informed demand, and capacity and willingness to take additional investment is limited.
 - There are also limitations to insurance looking at it in the perspective of communities. Sometimes insurance schemes can be more beneficial to the provider than the end-user.
 - Consideration of agriculture and infrastructure is important as climate investment flows in these sectors are low.

Breakout Session

31. At the start of the breakout group discussion, the participants were divided into six groups to address the following key questions:
- What are and what are not currently being funded in climate change adaptation (e.g. in terms of countries/regions, sectors such as insurance, health, ecosystem-based adaptation, resilient infrastructure) and why? What should be the role of the GCF and value added in light of these trends?
 - How is the private sector participating in adaptation financing and what are the key barriers? How can investors' challenges, including for first movers, be addressed to promote innovative investment strategies for adaptation?
 - What are best strategies to blend and phase financing for adaptation across institutions, and projects, e.g. through public-private partnerships, effective financing modalities? What does the GCF provide that others don't?
32. The first key question for session 3 was "What are and what are not currently being funded in climate change adaptation (e.g. in terms of countries/regions, sectors such as insurance, health, ecosystem-based adaptation, resilient infrastructure) and why? What should be the role of the GCF and value added in light of these trends?" This was tackled by the Table 1 group and Table 2 group of participants. The key observations of participants were:
- Health is highly under-represented where private sector could possibly fill the gap. In addition, GCF lacks health-related accredited entities.
 - i. Looking possibly into WASH programmes*
 - Other sectors that can be explored are tourism and cultural heritage, insurance, and transport sector. It was emphasized that sea level rise has a huge impact on coastal

assets which in turn affects tourism while community-level insurance was suggested to mitigate risks.

- Preventative measures should be taken by the government proactively such as risk mapping.

i. A good example is how insurance industry uses risk mapping to prevent people from building in high risk areas.

- The commonality between all sectors is the need for climate information for the baseline of adaptation. There is insufficient data, specifically in Africa where 70 per cent of countries lack sufficient data, and the data needs to be down-scaled. These gaps can be filled by working closely with the national MET services.
- Projects and programmes should be country-driven rather than being specific to sectors. A strategic plan that cross cuts and benefits all sectors to solve the disconnect occurring in sectoral planning.
- GCF should use mechanisms such as structured dialogues to raise awareness on under-represented projects, call for proposals, etc.

33. The second key question for session 3 was “How is the private sector participating in adaptation financing and what are the key barriers? How can investors’ challenges, including for first movers, be addressed to promote innovative investment strategies for adaptation?” This was tackled by the Table 3 and 4 groups of participants. The participants’ key discussion points were:

- The key barriers are policies and regulations within countries which create both positive and negative incentives. Policy dialogues and regulatory frameworks to support an enabling environment should be organized through partnerships with the private sector and public sector.
- Other barriers include risk, knowledge and capacity deficits, business case for adaptation and non-financial interventions. Small actions can have huge impacts e.g. carrying the currency risk of loans.
- There needs to be innovation from the GCF Private Sector Facility. GCF should not just follow the best practices of other multilateral development banks. Financial tools can be used to foster innovation.
- Sectors the private sector could naturally invest in include health and agriculture. In agriculture, this includes water, food and energy subsectors.
- GCF’s investment is driven by supply but investments should be demand driven. The country being GCF’s client, GCF should theoretically use the national plans to guide and inform them what the demand or needs are.
- Creating strategic partnerships to collect and disseminate good examples, particularly focusing on SMEs in developing countries, is recommended.

34. The third key question for session 3 was “What are best strategies to blend and phase financing for adaptation across institutions, and projects, e.g. through public-private

partnerships, effective financing modalities? What does the GCF provide that others don't?" This was tackled by the Table 5 and 6 groups of participants.

- Knowledge and information should be better shared and disseminated to government partners, private sectors, regional organizations, and other stakeholders. Currently, the information is only with NDAs and focal points, usually in the environment sector. At the same time, countries are left to engage with the private sector and other implementing partners.
- GCF should provide support to fill the information gap and also reach out to other stakeholders through capacity building and dialogues with specific emphasis on the use of readiness support and public-private partnerships.
- Examples of existing financial modalities that are effective and working were discussed:
 - i. *A project that engages with indigenous peoples that may otherwise be excluded is the forest investment programme of the World Bank with a dedicated grant that can easily be accessed without the need to go through national government.*
 - ii. *The small grants program from GEF, implemented by UNDP, provides financing opportunities directly to the community.*
 - iii. *The public-private partnership for insurance in the Caribbean and Africa has also proven to be successful.*
- Adaptation financing strategies beyond NAPs should be explored such as rolling out investments and blending for cross cutting issues. It would be good to look at mitigation projects that can have applicability in the adaptation space where synergies and co-benefits can be extended to adaptation.
- Understanding the larger market opportunities and challenges to support private sector engagement should be considered in creating solutions. De-risking through equities and guarantees can be provided by the public sector and GCF.
- Emphasizing ownership, exit strategy and sustainability mechanisms in structuring projects is critical.

Session 4 Building resilience

Presentation and Panel Discussion

35. Youssef Nassef of UNFCCC Secretariat presented on developing an overarching long-term strategy to build resilience as the “fire starter” of the session. This presentation is found in Annex 8.
36. The opportunities identified are as follow:
 - Advances in risk quantification and in the emergence of assessment tools.
 - Agreement on the six global multilateral agendas, that have given a clear direction for poverty-free 2030.

- Existence of a wealth of experience of ground-level action and “evaluative evidence” to help build adaptive capacity.
- Innovative tools signaling movement towards a new paradigm.

37. Yet, challenges remain in the following areas:

- Yesterday’s project-based tools as well as mindset for visioning progress and success.
- Fragmented developmental priorities that interlinked (both national and international level)
- New tools for scaled-up actions with consideration of transboundary aspects, engagement of an expanded set of actors, holistic financial planning, trade-offs that were not considered in the past, etc.

38. The presentation was followed by a panel discussion. For the discussion, Michael Cote of Winrock International, Marta Modelewska of European Bank for Reconstruction and Development, Chencho Norbu of Government of Bhutan, and Patrick Pringle of Climate Analytics joined as panels. The panelists were asked to cover the following questions.

- How can we use evaluate experience and evidence to inform what the GCF does?
- How do we build our results framework and how can we use indicators or other tools?
- How do we use all the learnings we’ve gathered to create transformational change?

39. The panelists provided comments and recommendations to GCF as summarized below.

- Indicators should be scalable and need to be linked to wider assessments of project structures. One-size fits all approach does not work – it needs to take in flexibility. For GCF it is important to be specific about the results and use of quantitative measures to create benchmarks, in addition to setting the value that is being created from GCF investment.
- Adaptation is a continuous learning process, therefore, engagement of communities and knowledge sharing is key to building resilience. Yet, educating local communities should not be measured of its impacts.
- Three principles to consider with indicators are i) to have specific purpose, ii) to have flexibility to be responsive and reflective of national circumstances, and iii) need to capture unintended and unexpected outcomes through monitoring and evaluation systems. It is important to understand the context and develop narrative to make use of indicators.
- Countries shouldn’t be over-burdened with reporting activities, as this hinders learning process.
- GCF can consider the following: i) Initiate R&D for return on investment which appeals to the private sector engagement; and ii) create Private sector learning group to measure results from private sector and to resolve the issue of transparency (i.e., information sharing).

40. The floor was open for comments from the audience, which are summarized as following:

- Poor and vulnerable people need to be empowered through equal access to resources and knowledge. Resource distribution issues, land distribution and inequality are determinants of vulnerability and issues that we currently face.
- Future looking approaches could help set the goals and identify progress.

Breakout Session

41. At the start of the breakout group discussion, the participants were divided into five groups to address the following key questions:

- How do we best measure the progress and impacts of adaptation activities/investments at different levels (local, national, regional, international) and over time?
- How do we evaluate the effectiveness and sustainability of adaptation activities/investments in building resilience? How do we learn whether adaptation activities are likely to be transformative or maladaptive?
- What indicators be used to help measure adaptation impacts and effectiveness? Which indicators can be used at different levels (project, country, etc.)?
- What lessons can be learned from evaluations and assessments of existing adaptation strategies, programmes and projects? What types of adaptation programmes and projects have the best track record? How do we learn from failures as well as successes?
- How can a positive and continuous feedback loop between adaptation planning, implementation of programmes/projects and evaluation of results and impacts be encouraged? How and by whom can this be best ensured?

42. The Table 1 group of participants tackled the first key question – *How do we best measure the progress and impacts of adaptation activities/investments at different levels (local, national, regional, international) and over time?* Below are key observations.

- Measurements at the fund level and project level are different, and it should remain as flexible as possible for adaptation to take in context. Yet, alignment between different measures at different levels (e.g., local, national, regional, and international) should be aligned.
- Quantitative and qualitative indicators are not mutually exclusive, but quantitative measures are difficult at local level.

43. The Table 2 group of participants tackled the second key question – *How do we evaluate the effectiveness and sustainability of adaptation activities/investments in building resilience? How do we learn whether adaptation activities are likely to be transformative or maladaptive?* Below are key observations.

- The definition of effectiveness needs to move away from the meaning of “cost-effectiveness”. Financial leverage is not a good indicator, for example, in adaptation. There is currently little room for reporting back qualitative inputs.
 - Behavioral changes, for instance, is an important measurement but it is difficult to measure short-term. It needs to be measured in a longer timeframe beyond project cycle.
 - GEF has been supporting enabling activities, for example, and it’s a matter of upscaling. It can be helpful to utilize DAEs and NDAs for longer-term evaluation.
 - Previous exercise done by the World Bank and GEF tried to define what is “transformational”. It included scale, depth, system change and sustainability elements in projects.
 - Elements of maladaptation needs to be identified at the time of project review. This needs to be done in the context of transformative change, but not at the expense of incremental change.
 - Meta-synthesis of broad tools and data available from the existing M&E can be done by GCF.
44. The Table 3 group of participants tackled the third key question – *What indicators be used to help measure adaptation impacts and effectiveness? Which indicators can be used at different levels (project, country, etc.)?* Below are key observations.
- It is important not to overburden countries with MRV responsibility. Therefore, it is important for GCF align its ongoing works on indicators with larger transformational agenda, for example 2030 Agenda. It would be useful for the GCF to consider at performance level to look at negative and positive trade-offs in the larger frameworks.
 - It would also be useful to have a third party other than IEU to verify the indicators developed by GCF.
 - The challenge is in aggregation and context specific flexibility in indicators. It is concerning to have standardized indicators. It may be also useful to develop context-based quantitative indicators.
 - It important to measure reduced vulnerability. It needs to have a detailed analysis on linking vulnerability with baselines.
 - Measuring impacts is important, and non-linear TOC can be utilized for this purpose.
45. The Table 4 group of participants tackled the fourth key question – *What lessons can be learned from evaluations and assessments of existing adaptation strategies, programmes, and projects? What types of adaptation programmes and projects have the best track record? How do we learn from failures as well as successes?* Below are key observations.
- Indigenous people need to be involved in the discussions of solutions through free and prior informed consent.

- Responsibility for learning eventually lies with the countries once project is completed and closed. The countries need to see the value and incentives in M&E, so that it can be linked to national plans.
- Having standard indicators have been proved difficult. Creating smaller set of indicators that are context specific works across sectors. It should not, however lead into oversimplification.

i. See PPCR M&E Framework development dialogue

- Investment in high risks, high return proposals with innovative thinking gives opportunities for greater learning.
46. The Table 5 group of participants tackled the last key question – *How can a positive and continuous feedback loop between adaptation planning, implementation of programmes/projects and evaluation of results and impacts be encouraged? How and by whom can this be best ensured?* Below are key observations.
- It is important to enable learning cultures. Knowledge can include what constitute as adaptation actions.
 - Keeping good records and digitalizing them would be beneficial.
 - Reporting duties should be flexible to allow learning to take place.

IV. Conclusion

47. The workshop discussions and written inputs from experts further acknowledges the need for more action in support of climate adaptation, and critical role that GCF is to play.
48. The relevant implications and recommendations from experts' discussions and written inputs shall be forwarded to the GCF Secretariat's works on development of proposal for guidance on the approach and scope to support adaptation activities.

V. Annexes

Annex 1. Concept note

Technical Expert Workshop on Climate Adaptation Finance

Concept Note

Dates and duration: March 5-6, 2018 (2 days)

Venue: Premier Room, Oakwood Premier, Songdo, Incheon South Korea

Number of participants: 50 technical experts, 15 GCF staff

Target profile: Experts in climate adaptation finance, policy and programmes in global, national, or subnational levels from research, civil society, government and financial institutions with knowledge of GCF, its activities and challenges in relation to climate adaptation

I. Background and Context

The Green Climate Fund (GCF) has been established with the purpose of making a significant contribution to the global efforts to combat climate change. Designated as an operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the GCF promotes a paradigm shift towards low-emission and climate-resilient development by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

The Governing Instrument for the Green Climate Fund specifically states that the GCF Board is responsible for balancing the allocation of resources between adaptation and mitigation activities. However, attracting high quality adaptation proposals and approving proposals have been a challenge for the GCF. Proposals are not clearly demonstrating the link to climate change and there is a lack of shared understanding in the Board about which adaptation projects the GCF should support and which costs to cover, as lines between development and climate change intervention are often blurred.

Recognizing that further guidance may be required to provide support to adaptation activities more effectively, at the seventeenth meeting, the GCF Board requested the Secretariat through decision B.17/10, to develop a proposal for “Green Climate Fund’s approach and scope for support to adaptation activities”. The Secretariat’s proposal will take into account “best practices from other multilateral funds and other approaches”.

To formulate this proposal, the Secretariat is utilizing different methods to gather inputs from various sources including engaging the World Resources Institute to perform background research and consulting the GCF’s Private Sector Advisory Group. The Secretariat is also organizing a two-day technical expert workshop to collect expert views on climate adaptation practices and approaches to adaptation finance.

II. Objectives

The technical expert workshop will:

- Explore the current status of climate adaptation finance and activities
- Identify emerging best practices in climate adaptation projects and programmes

III. Expected Outcomes

Through the workshop, experts will identify:

- Practical examples of well-designed climate adaptation activities and projects, including lessons from implementation cases and practices
- Elements that constitute a strong climate justification in adaptation
- Practical and implementable approaches to climate adaptation finance
- Ways in which GCF could work with its partners and utilize relevant supporting tools to attract high quality adaptation proposals across public and private sector funding windows

IV. Workshop Format

The workshop is divided into four sessions. Each session shall consist of a panel discussion and a breakout session. Each session will have one moderator, one fire starter, and three to four panelists. The session will start with a 3-minute introduction by the moderator, followed by a 7-minute presentation by the fire starter. The fire starter will pave the way for the start of the panel discussion. Each panelist will be given 3-5 minutes to share their insights and comments on the topic. The fire starter will then join the panelists and the floor will be opened for a Q&A portion. After the Q&A, experts will be grouped into five groups and will discuss the topics at hand. Each group will have a facilitator and will assign a presenter to share a summary of their discussions to the plenary session. At the end of each session, a summary of the whole session will be presented by the moderator.

V. Workshop Program

Monday, 5 March 2018	
8:30 – 9:00	Registration and coffee
Opening Session	
9:00 – 9:10	Opening remarks
9:10 – 9:30	Plenary session
Session 1 Defining adaptation activities	
9:30 – 9:35	Introduction: Moderator
9:35 – 9:45	Presentation: Fire starter
9:45 – 10:15	Panel discussion
10:15 – 10:30	Break
10:30 – 11:40	Breakout session
11:40 – 12:10	Plenary session
12:10 – 12:30	Session summary
12:30 – 14:00	Lunch
Session 2 Design of strategies, programmes and projects for climate adaptation	
14:00 – 14:05	Introduction: Moderator
14:05 – 14:15	Presentation: Fire starter
14:15 – 14:45	Panel discussion
14:45 – 15:00	Break
15:00 – 16:10	Breakout session
16:10 – 16:40	Plenary session
16:40 – 17:00	Session summary
Tuesday, 6 March 2018	
Session 3 Financing trends	
8:30 – 9:00	Registration and coffee
9:00 – 9:05	Introduction: Moderator
9:05 – 9:15	Presentation: Fire starter
9:15 – 9:45	Panel discussion
9:45 – 10:00	Break
10:00 – 11:10	Breakout session
11:10 – 11:40	Plenary session
11:40 – 12:00	Session summary
12:00 – 13:30	Lunch
Session 4 Building resilience	
13:30 – 13:35	Introduction: Moderator
13:35 – 13:45	Presentation: Fire starter
13:45 – 14:15	Panel discussion
14:15 – 14:30	Break
14:30 – 15:40	Breakout session
15:40 – 16:10	Plenary session
16:10 – 16:30	Session summary
16:30 – 16:45	Break
Closing Session	
16:45 – 17:25	Wrap-up session
17:25 – 17:40	Closing remarks

Annex 2. Workshop agenda

Monday, 5 March 2018

Day 1

08:30-09:00 On-site registration and coffee

Opening Session

09:00-09:10 Opening remarks

09:10-09:30 Plenary session

Speaker: German Velasquez, Green Climate Fund

Session 1 Defining adaptation activities

09:30-09:35 Introduction

Moderator: German Velasquez, Green Climate Fund

09:35-09:45 Presentation

Fire starter: Christina Chan, World Resources Institute

09:45-10:15 Panel discussion

Panelists:

- *Helen Magata, Tebtebba Foundation*
- *Annett Moehner, UNFCCC Secretariat*
- *Lia Nicholson, Government of Antigua and Barbuda*
- *Mariana Simões, United Nations Development Programme*

10:15 -10:30 Coffee break

10:30-11:40 Breakout session

Key Questions:

1. *How do we clarify the difference or distinguish between adaptation and development?*
2. *How do we find and present relevant climate change predictions and impacts for a stronger climate rationale?*

3. *How is the specific link defined and clarified between proposed strategies or programme or project activities and climate change (narrative, hypothesis, theory of change)?*
4. *How are co-benefits, synergies, vulnerabilities and trade-offs defined, identified, and measured in climate adaptation?*
5. *What metrics and methodologies exist for identifying costs of adaptation and separating out incremental costs and benefits?*

11:40-12:10	Plenary session
12:10-12:30	Session summary by moderator
12:30-14:00	Lunch

Session 2 Design of strategies, plans and projects for climate adaptation

14:00-14:05	Introduction <i>Moderator: Jason Spensley, Green Climate Fund</i>
14:05-14:15	Presentation <i>Fire starter: Anne Hammill , International Institute for Sustainable Development</i>
14:15-14:45	Panel discussion <i>Panelists:</i> <ul style="list-style-type: none"> • <i>Chizuru Aoki, Global Environment Facility</i> • <i>Mandy Barnett, South African National Biodiversity Institute</i> • <i>Christoph Jungfleisch, YAPU Solutions</i> • <i>Harjeet Singh, ActionAid International</i>
14:45 -15:00	Break
15:00-16:10	Breakout session <i>Key questions:</i> <ol style="list-style-type: none"> 1. <i>How are countries building from NDCs to National Adaptation Plans (NAPs) and other adaptation planning processes for driving to catalytic projects?</i>

2. *What are the critical processes and methods that climate finance institutions such as the GCF should support to help countries to drive catalytic adaptation projects and investment?*
3. *How can private sector actors be effectively engaged in design of adaptation strategies and plans for catalyzing adaptation finance, given their specific motivations?*

16:00-16:30	Plenary session
16:30-16:45	Session summary by moderator
16:45-17:00	Wrap-up of Day 1

Tuesday, 6 March 2018

Day 2

08:30-09:00	Registration and coffee
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Session 3 Financing trends

09:00-09:05	Introduction <i>Moderator: Juan Hoffmaister, Green Climate Fund</i>
09:05-09:15	Presentation <i>Fire starter: Anne Olhoff, UN Environment Programme -Technical University of Denmark Partnership</i>
09:15-09:45	Panel discussion <i>Panelists:</i> <ul style="list-style-type: none">• <i>Julio Cordano, UNFCCC Adaptation Committee</i>• <i>Gerry Lemcke, Swiss Reinsurance Company Ltd.</i>• <i>Daouda Ndiaye, Adaptation Fund</i>• <i>Spencer Thomas, Government of Grenada</i>
09:45-10:00	Break
10:00-11:10	Breakout session <i>Key Questions:</i>

1. *What are and what are not currently being funded in climate change adaptation (e.g. in terms of countries/regions, sectors such as insurance, health, ecosystems-based adaptation, resilient infrastructures), and why?*
2. *How is the private sector participating in adaptation financing and what are the key barriers and opportunities to further scale up this engagement?*
3. *What are best strategies to blend and phase financing for adaptation across institutions, and projects, e.g. through public-private partnerships, effective financing modalities?*

11:10-11:40	Plenary session
11:40-12:00	Session summary by moderator
12:00-13:30	Lunch

Session 4 Building resilience

13:30-13:35	Introduction <i>Moderator: Selina Wrighter, Green Climate Fund</i>
13:35-13:45	Presentation <i>Fire starter: Youssef Nassef, UNFCCC Secretariat</i>
13:45-14:15	Panel discussion <ul style="list-style-type: none"> • <i>Michael Cote, Winrock International</i> • <i>Marta Modelewska, European Bank for Reconstruction and Development</i> • <i>Chencho Norbu, Government of Bhutan</i> • <i>Patrick Pringle, Climate Analytics</i>
14:15-14:30	Break
14:30-15:40	Breakout session <i>Key Questions:</i> <ol style="list-style-type: none"> 1. <i>How do we best measure the progress and impacts of adaptation activities/investments at different levels (local, national, regional, international) and over time?</i>

2. *How do we evaluate the effectiveness and sustainability of adaptation activities/investments in building resilience? How do we learn whether adaptation activities are likely to be transformative or maladaptive?*
3. *What indicators be used to help measure adaptation impacts and effectiveness? Which indicators can be used at different levels (project, country, etc.)?*
4. *What lessons can be learned from evaluations and assessments of existing adaptation strategies, programmes and projects? What types of adaptation programmes and projects have the best track record? How do we learn from failures as well as successes?*
5. *How can a positive and continuous feedback loop between adaptation planning, implementation of programmes/projects and evaluation of results and impacts be encouraged? How and by who can this be best ensured?*

15:40-16:10

Plenary session

16:10-16:30

Session summary by moderator

16:30-17:00

Wrap-up session and Closing remarks

Speaker: German Velasquez, Green Climate Fund

Annex 3. List of participants

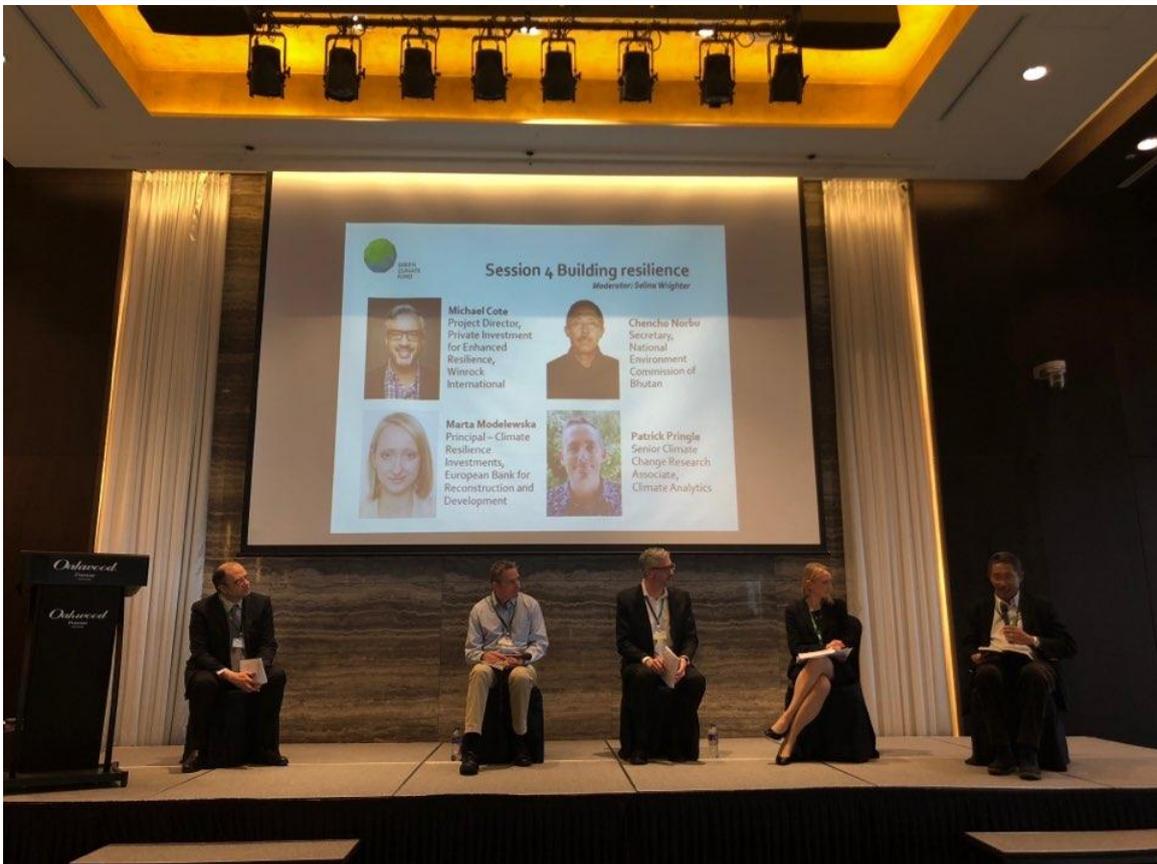
	LAST NAME	FIRST NAME	AFFILIATION
1	Adams	Kevin	Stockholm Environment Institute (SEI)
2	Altamirano	Monica	Deltares
3	Amerasinghe	Niranjali	World Resources Institute (WRI)
4	Aoki	Chizuru	Global Environment Facility (GEF)
5	Barnett	Mandy	South African National Biodiversity Institute (SANBI)
6	Bernardo	Cecilia	UNFCCC Adaptation Committee
7	Chan	Christina	World Resources Institute (WRI)
8	Cordano	Julio	UNFCCC Adaptation Committee
9	Cote	Michael E.	Winrock International
10	Denton	Fatima	United Nations Economic Commission for Africa (UNECA)
11	Mekuria	Zerihun Getu	The Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)
12	Gruening	Christine	Frankfurt School of Finance & Management gGmbH
13	Hammill	Anne	International Institute for Sustainable Development (IISD)
14	Harris	Samantha	Business for Social Responsibility
15	Jungfleisch	Christoph	Yapu Solutions
16	Karim	Fakri	UN Capital Development Fund - Local Climate Adaptive Living Facility (UNCDF LoCAL)
17	Künzi	Erwin	UNFCCC LDC Expert Group
18	Lagdameo	Donna	Red Cross Red Crescent Climate Centre
19	Lemcke	Gerry	Swiss Reinsurance Company Ltd.
20	Libanda	Benedict	Environmental Investment Fund of Namibia (EIF)
21	Lindo	Sharon	Caribbean Community Climate Change Center (CCCCC)

22	Magata	Helen	Tebtebba Foundation
23	Modelewska	Marta	European Bank for Reconstruction and Development (EBRD)
24	Moehner	Annett	UNFCCC Secretariat
25	Nassef	Youssef	UNFCCC Secretariat
26	Ndiaye	Daouda	Adaptation Fund
27	Nicholson	Lia	Department of Environment of Antigua and Barbuda
28	Norbu	Chencho	National Environment Commission - Royal Government of Bhutan
29	Olhoff	Anne	UN Environment Programme Technical University of Denmark Partnership - UNEP DTU
30	Omari-Motsumi	Kulthoum	African Adaptation Initiative/University of Cape Town
31	Park	Eunyoung	Incheon Metropolitan City, Republic of Korea
32	Pringle	Patrick	Climate Analytics
33	Rai	Neha	International Institute for Environment and Development (IIED)
34	Sanchez	Carlos	Willis Towers Watson
35	Schalatek	Liane	Heinrich Böll Foundation
36	Sherman	Richard	UNFCCC Standing Committee on Finance
37	Simões	Mariana	United Nations Development Programme (UNDP)
38	Singh	Harjeet	ActionAid International
39	Thomas	Spencer	Government of Grenada
40	Troni	Jessica	United Nations Environment Programme (UNEP)
41	Tshering	Karma	National Environment Commission - Royal Government of Bhutan
42	Zakieldeen	Sumaya A.	University of Khartoum - Institute of Environmental Studies

Annex 4. Photos







Annex 5. Session 1 Presentation



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Session 1

Defining adaptation activities

Moderated by German Velasquez



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Session 1 Defining adaptation activities

Moderator: German Velasquez

Firestarter

Christina Chan, *World Resources Institute*

Panelists

Helen Magata, *Tebtebba Foundation*

Annett Moehner, *UNFCCC Secretariat*

Lia Nicholson, *Government of Antigua and Barbuda*

Mariana Simões, *United Nations Development Programme*



Session 1 Defining adaptation activities

Moderator: German Velasquez



Christina Chan

*Director for Climate Resilience
Practice*

World Resources Institute



Session 1 Defining adaptation activities

What is going well?

1. Increasing focus on integrating adaptation within wider policy frameworks and broader development goals and objectives.
2. Recognition that institutional capacity and stronger enabling environments are critical – whether it is related to piloting of new technology solutions, or transferring, disseminating and scaling known technologies.
3. Communities are reducing vulnerability to climate change and strengthening their adaptive capacity.

Christina Chan, *World Resources Institute*





Session 1 Defining adaptation activities

What areas require further action?

1. Understanding climate risks and impacts – in near and longer-term – and making flexible, robust and durable decisions in context of uncertainty
2. Approaching adaptation in a more integrated, cross sectoral manner
3. Translating plans into implementation and action, including as it relates to public sector budgeting
4. Increasing evidence that transformative changes may be necessary to prepare for climate impacts

Christina Chan, *World Resources Institute*



Session 1 Defining adaptation activities

Questions

1. How do we clarify the difference or distinguish between adaptation and development?
2. How do we find and present relevant climate change predictions and impacts for a stronger climate rationale?
3. How is the specific link defined and clarified between proposed strategies or programme or project activities and climate change (narrative, hypothesis, theory of change)?
4. How are co-benefits, synergies, vulnerabilities and trade-offs defined, identified, and measured in climate adaptation?
5. What metrics and methodologies exist for identifying costs of adaptation and separating out incremental costs and benefits?

Christina Chan, *World Resources Institute*





Session 1 Defining adaptation activities

Moderator: German Velasquez



Helen Magata
Communications
Officer, Tebtebba
Foundation



Lia Nicholson
Project Consultant,
Government of
Antigua and
Barbuda



Annett Moehner
Programme Officer,
UNFCCC
Secretariat



Mariana Simoes
Regional Technical
Adviser, United
Nations
Development
Programme



Session 1 Defining adaptation activities

Moderator: German Velasquez

Breakout session: Key Questions

1. How do we clarify the difference or distinguish between adaptation and development?
2. How do we find and present relevant climate change predictions and impacts for a stronger climate rationale?
3. How is the specific link defined and clarified between proposed strategies or programme or project activities and climate change (narrative, hypothesis, theory of change)?
4. How are co-benefits, synergies, vulnerabilities and trade-offs defined, identified, and measured in climate adaptation?
5. What metrics and methodologies exist for identifying costs of adaptation and separating out incremental costs and benefits?

Annex 6. Session 2 Presentation



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Session 2

Design of strategies, plans and projects

Moderated by Jason Spensley



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Session 2 Design of strategies, plans and projects

Moderator: Jason Spensley

Firestarter

Anne Hammill, *International for Sustainable Development*

Panelists

Chizuru Aoki, *Global Environment Facility*
Mandy Barnett, *South African National Biodiversity Institute*
Christoph Jungfleisch, *Yapu Solutions*
Harjeet Singh, *ActionAid International*



Session 2 Design of strategies, plans and projects

Moderator: Jason Spensley



Anne Hammill

Director, Resilience

International Institute for
Sustainable Development



Session 2 Design of strategies, plans and projects

Opportunities

1. More profile and resources than ever for adaptation planning
 - Although still struggling to align within strategic vision for climate finance and project pipelines
2. Availability of tools and processes to support adaptation planning
 - Need to better systematize and share all that is available
3. The role of strategic communications of climate information
 - Segmenting audiences and messaging – including adaptation in terms of solutions for the private sector





Session 2 Design of strategies, plans and projects

Challenges

1. What constitutes adaptation? Articulating the adaptation logic / justification
 - Can we agree on some basic criteria or questions to simplify the process? (e.g. Impact, risk, vulnerability, barrier, action?)
2. The adaptive management of adaptation – learning, iteration, and transaction costs
 - From all sides – especially donors
3. Vertical integration in planning – linking national and local
 - Municipalities: ‘missing middle’?



Session 2 Design of strategies, plans and projects

Moderator: Jason Spensley



Chizuru Aoki
Lead
Environmental
Specialist, Global
Environment
Facility



Christoph Jungfleisch
CEO & Co-
founder, YAPU
Solutions



Mandy Barnett
Lead for Climate
Change
Adaptation,
South African
National
Biodiversity
Institute



Harjeet Singh
Global Lead on
Climate Change,
ActionAid
International



Session 2 Design of strategies, plans and projects

Moderator: Jason Spensley

Breakout session: Key Questions

1. How are countries building from NDCs to National Adaptation Plans (NAPs) and other adaptation planning processes for driving to catalytic projects? Table 1,2
2. What are the critical processes and methods that climate finance institutions such as the GCF should support to help countries to drive catalytic adaption projects and investment? Table 3,4
3. How can private sector actors be effectively engaged in design of adaptation strategies and plans for catalyzing adaptation finance, given their specific motivations? Table 5,6

Annex 7. Session 3 Presentation



The slide features the Green Climate Fund logo in the top left corner. The text is centered and reads: "Session 3 Financing trends" in a large, bold, black font, followed by "Moderator: Juan Hoffmaister" in a smaller, italicized, black font. Below this, there are two sections: "Firestarter" in a dark green box with white text, followed by "Anne Olhoff, UN Environment Programme - Technical University of Denmark Partnership" in a black font. The second section is "Panelists" in a dark teal box with white text, followed by a list of names and affiliations: "Julio Cordano, UNFCCC Adaptation Committee", "Gerry Lemcke, Swiss Reinsurance Company Ltd.", "Daouda Ndiaye, Adaptation Fund", and "Spencer Thomas, Government of Grenada".



Session 3 Financing trends

Moderator: *Juan Hoffmaister*



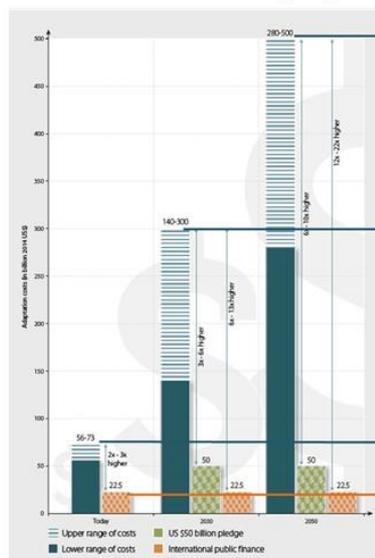
Anne Olhoff

Head of Climate Resilient Development Programme

United Nations Environment Programme - Technical University of Denmark Partnership



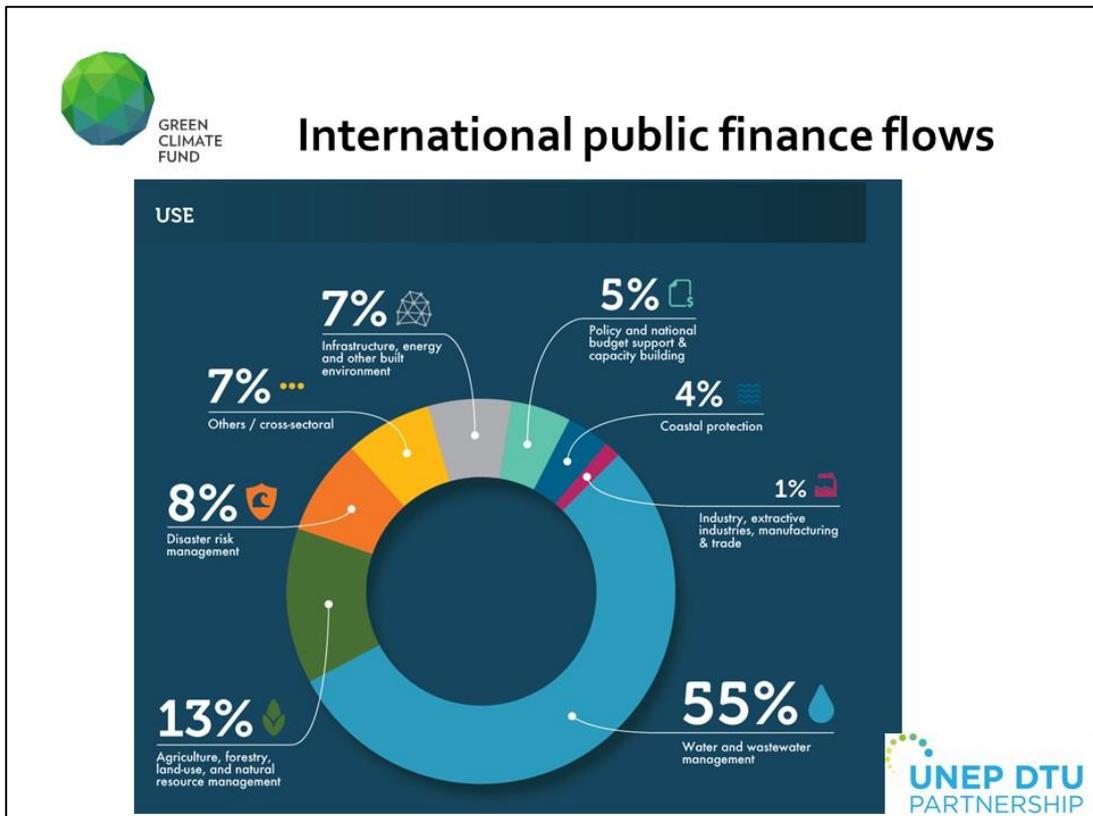
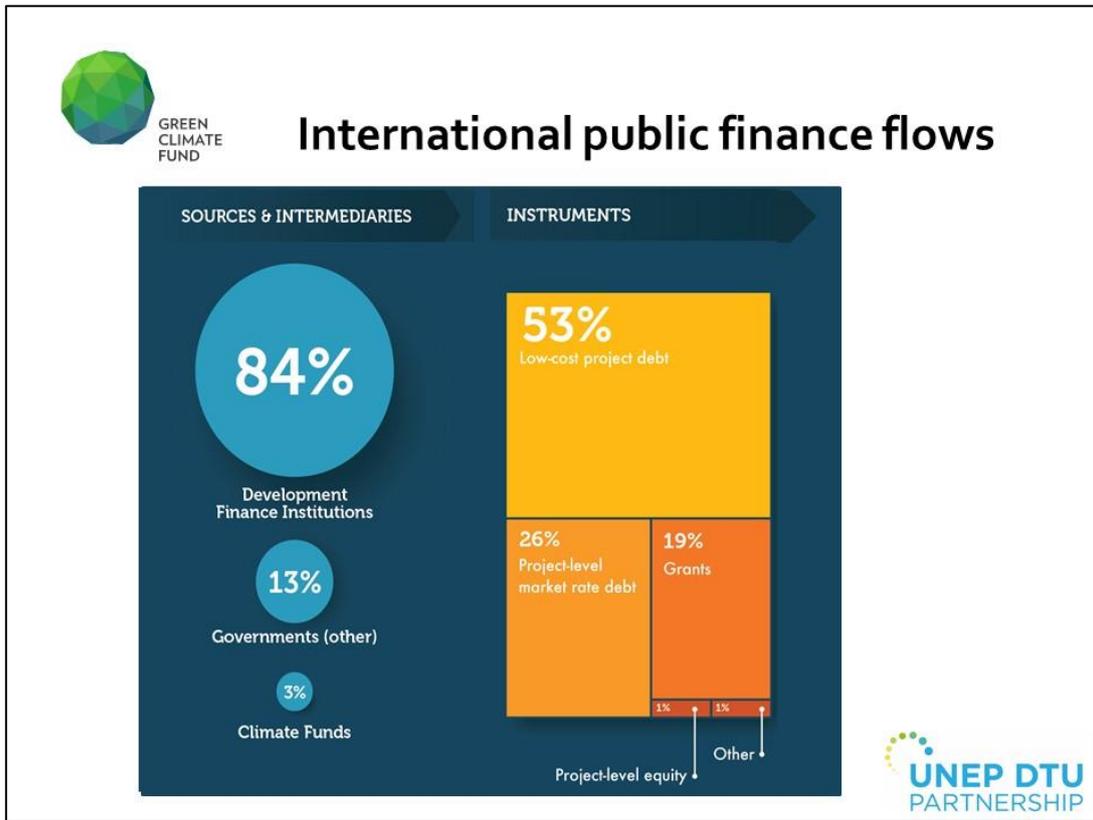
There is a significant adaptation finance gap - and it is likely to increase

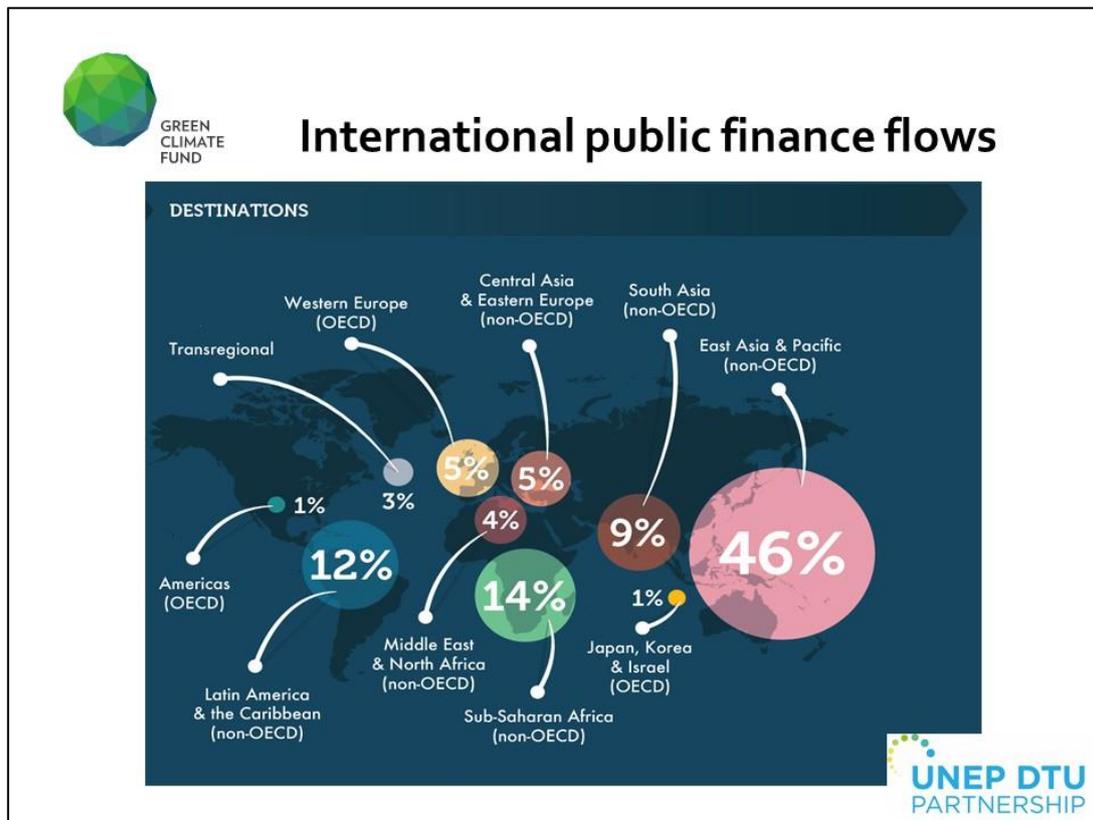


Adaptation costs:
12-22 times higher than current int. public finance
6-10 times higher than half the US\$100 bn commitment

Adaptation costs:
6-13 times higher than current int. public finance
3-6 times higher than half the US\$100 bn commitment

Adaptation costs: 2-3 times higher than current int. public finance





- 
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- ## Strategic challenges and opportunities
- Effectiveness of adaptation spending
 - limited evidence
 - strategic role of GCF
 - Domestic public adaptation expenditure and finance frameworks
 - moving from grants to low-cost project debt?
 - Mobilising private finance
 - financial and non-financial instruments
 - scope and limitations - across sectors and income levels



Session 3 Financing trends

Moderator: Juan Hoffmaister



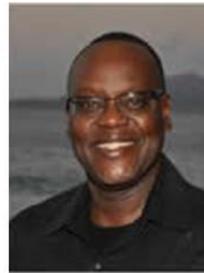
Julio Cordano
Member,
UNFCCC
Adaptation
Committee



Daouda Ndiaye
Senior Climate
Change
Specialist,
Adaptation Fund



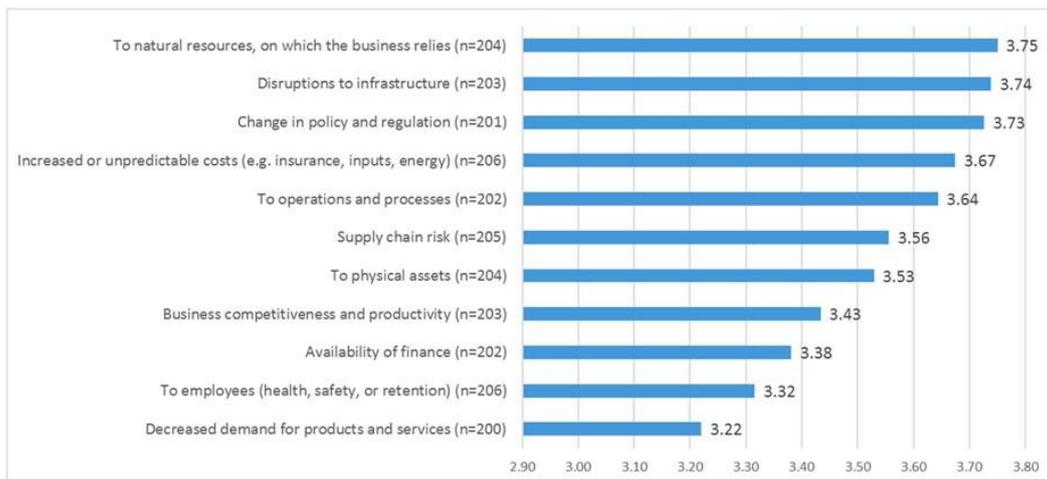
Gerry Lemcke
Head of Business
Development,
Swiss
Reinsurance
Company Ltd.



Spencer Thomas
Ambassador and
Special Envoy for
Multilateral
Environmental
Agreements,
Government of
Grenada

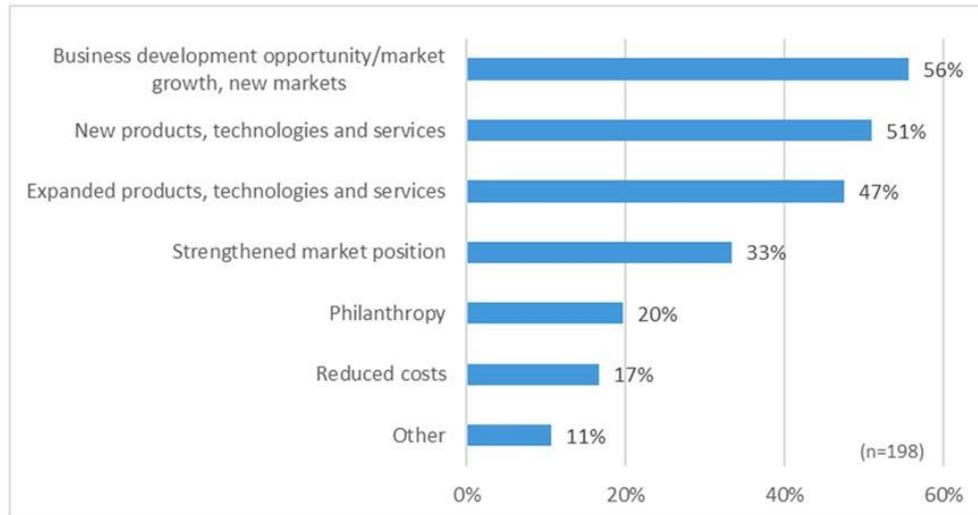


Concerns around climate risks

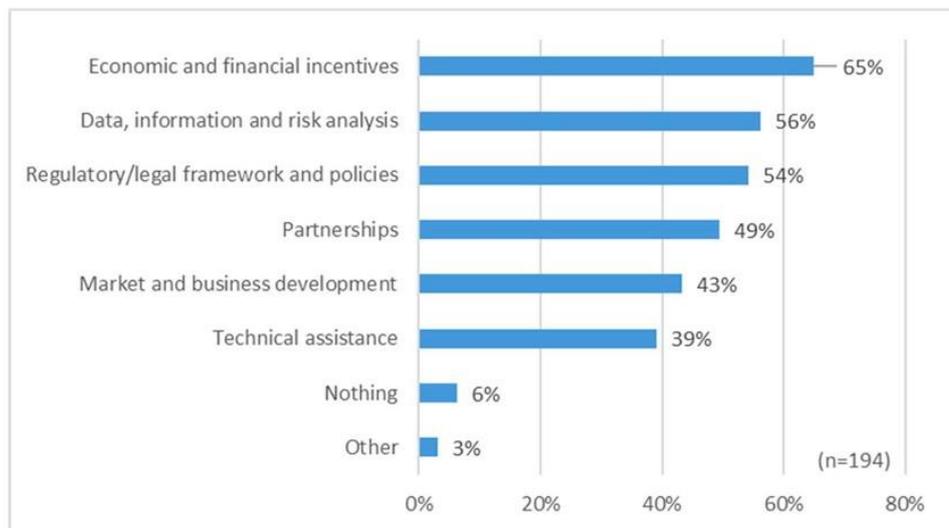


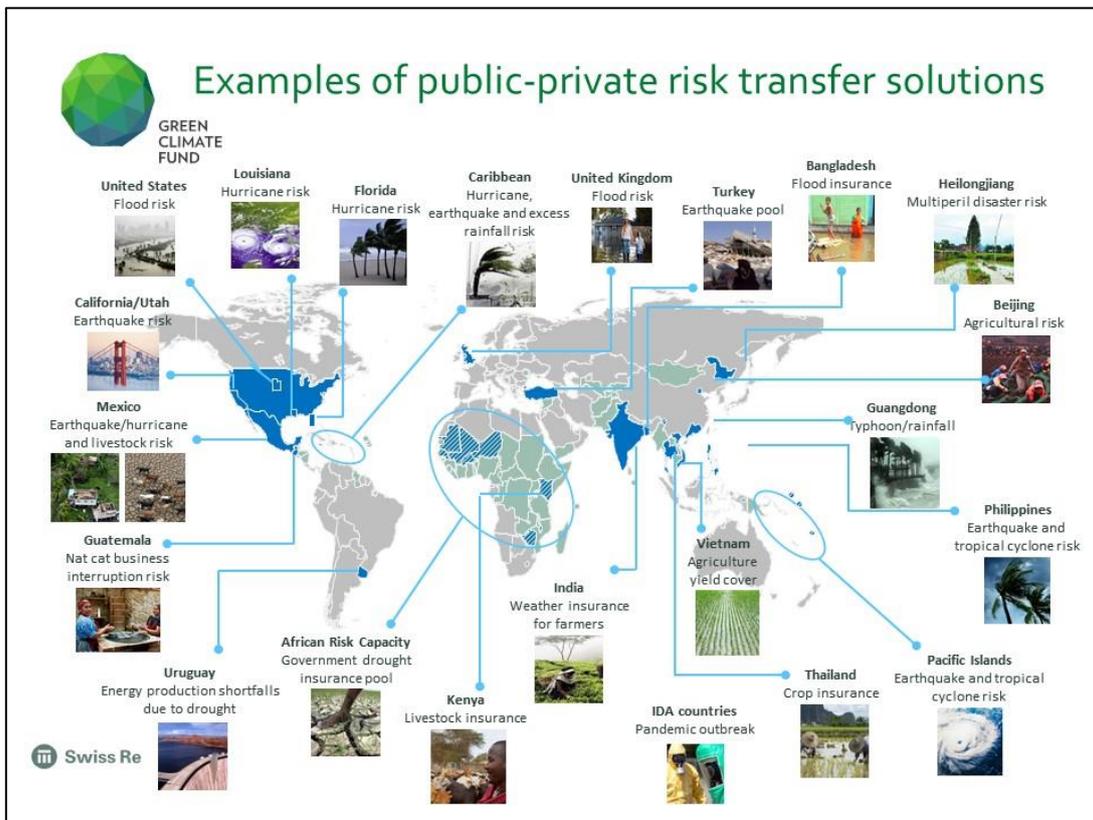


Forseen opportunities related to climate change



Requirements for better addressing climate risks and making use of opportunities







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Breakout session: Key Questions

1. What are and what are not currently being funded in climate change adaptation (e.g. in terms of countries/regions, sectors such as insurance, health, ecosystems-based adaptation, resilient infrastructures), and why? What should be the role of the GCF and value added in light of these trends? **Groups 1-2 Alastair Morrison**
2. How is the private sector participating in adaptation financing and what are the key barriers? How can investors challenges, including for first movers, be addressed to promote innovative investment strategies for adaptation? **Group 3-4 Andreas Lunding; Marta Simonetti**
3. What are best strategies to blend and phase financing for adaptation across institutions, and projects, e.g. through public-private partnerships, effective financing modalities? What does the GCF provide that others don't? **Group 5-6 Brett Barstow, Orville Grey**

Annex 8. Session 4 Presentation



Session 4 Building resilience

Moderator: Selina Wrighter

Firestarter

Youssef Nassef, *UNFCCC Secretariat*

Panelists

Michael Cote, *Winrock International*

Marta Modelewska, *EBRD*

Chencho Norbu, *Government of Bhutan*

Patrick Pringle, *Climate Analytics*



Session 4 Building resilience

Moderator: Selina Wrighter



Youssef Nassef

*Director of the Adaptation
Programme*

UNFCCC Secretariat



The problematique: Effectiveness of transformative adaptation, at different levels and over time (LT outlook)

Pushing the envelope – insights from earlier sessions:

- Enhance stakeholder engagement (private sector, community level, indigenous peoples)
- Support subnational action/cascade to local levels
- Consider transboundary/regional dimension
- Foster more integration/cross-sectoral work
- Develop a national adaptation vision

Moving towards overarching long-term resilience





Developing an overarching long-term strategy to build resilience

Opportunities:

- Advances in risk quantification and in the emergence of assessment tools that prepare us for an evolved paradigm of support (Future prospects: IoT, AI, Big data)
- Agreement on the six global multilateral agendas, that have given a clear direction for a poverty-free 2030
- Existence of a wealth of experience of ground-level action and “evaluative evidence” to help build adaptive capacity
- Innovative tools that already signal movement towards a new paradigm (CCFF, FBF, Resilience continuum, measuring progress towards the global goal on adaptation).



Developing an overarching long-term strategy to build resilience

Challenges:

- We are still using yesterday’s tools (project-based) and mindset in visioning progress and success
- Consideration of interlinked developmental priorities is still fragmented (both nationally and internationally)
- Scaled-up action needs new tools to respond to this new context, which includes considerations such as transboundary aspects, engagement of an expanded set of actors, holistic financial planning, trade-offs that were not considered in the past, etc.





Session 4 Building resilience

Moderator: Selina Wrighter



Michael Cote
Project Director,
Private Investment
for Enhanced
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Winrock
International



Chenchu Norbu
Secretary,
National
Environment
Commission of
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Marta Modelewska
Principal – Climate
Resilience
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European Bank for
Reconstruction and
Development



Patrick Pringle
Senior Climate
Change Research
Associate,
Climate Analytics



Session 4 Building resilience

Moderator: Selina Wrighter

Breakout session: Key Questions

1. How do we best measure the progress and impacts of adaptation activities/investments at different levels (local, national, regional, international) and over time?
2. How do we evaluate the effectiveness and sustainability of adaptation activities/investments in building resilience? How do we learn whether adaptation activities are likely to be transformative or maladaptive?
3. What indicators can be used to help measure adaptation impacts and effectiveness? Which indicators can be used at different levels (project, country, etc.)?
4. What lessons can be learned from evaluations and assessments of existing adaptation strategies, programmes and projects? What types of adaptation programmes and projects have the best track record? How do we learn from failures as well as successes?
5. How can a positive and continuous feedback loop between adaptation planning, implementation of programmes/projects and evaluation of results and impacts be encouraged? How and by who can this be best ensured?

Annex 9. Summary discussion paper by the World Resources Institute (limited distribution)

Annex 10. Thought papers (limited distribution)