



Defining Adaptation – and Distinguishing It From Other Development Investments

IISD REPORT



This study has been elaborated by IISD as a product of the Support Project for the Implementation of the Paris Agreement (SPA), which is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) under its International Climate Initiative (IKI).



On behalf of:



of the Federal Republic of Germany

© 2019 The International Institute for Sustainable Development
Published by the International Institute for Sustainable Development.

International Institute for Sustainable Development

The International Institute for Sustainable Development (IISD) is an independent think tank championing sustainable solutions to 21st-century problems. Our mission is to promote human development and environmental sustainability. We do this through research, analysis and knowledge products that support sound policy-making. Our big-picture view allows us to address the root causes of some of the greatest challenges facing our planet today: ecological destruction, social exclusion, unfair laws and economic rules, a changing climate. IISD’s staff of over 120 people, plus over 50 associates and 100 consultants, come from across the globe and from many disciplines. Our work affects lives in nearly 100 countries. Part scientist, part strategist—IISD delivers the knowledge to act.

IISD is registered as a charitable organization in Canada and has 501(c)(3) status in the United States. IISD receives core operating support from the Province of Manitoba and project funding from numerous governments inside and outside Canada, United Nations agencies, foundations, the private sector and individuals.

Defining Adaptation – and Distinguishing It From other Development Investments

April 2019

Written by Clare Church and Anne Hammill

Photo by IISD/Ani Terton

Head Office

111 Lombard Avenue, Suite 325
Winnipeg, Manitoba
Canada R3B 0T4

Tel: +1 (204) 958-7700

Website: www.iisd.org

Twitter: @IISD_news

Photo by IISD/Ani Terton



Table of Contents

1.0 Introduction	1
2.0 Trends in the Literature	2
3.0 Efforts to Define the Adaptation Increment by International Funds and Donors	3
4.0 Recurring Challenges	5
5.0 Outstanding Questions	6
6.0 Recommendations	7
References	9
Annex 1: Definitions of Adaptation / Adaptation Activities	14
Annex 2: Stakeholder Interview Template	20
Annex 3: International Adaptation Funds & Donors: Guideline Summaries	21



1.0 Introduction

As the effects of climate change become more discernable in ecosystems, economies and communities, the urgency of understanding, preparing for and adjusting to its impacts grows. Indeed, adaptation has become integral to responding to the climate crisis and securing sustainable development outcomes around the world.

While there is a growing consensus around the need for adaptation, a unifying operational definition does not yet exist—particularly for guiding resource allocation and/or investment decisions. However, researchers and practitioners alike agree on some of its core features: adaptation is an ongoing, iterative process that precludes characterizations of a final adapted state; its overarching aim is to reduce the vulnerability of people and places to both current and future risks and changes; it requires climate information—even if uncertain or rudimentary—to understand why and what kind of adjustments are needed; its execution and benefits are often context-specific, as both the manifestations of climate change and abilities to respond to them are shaped by local circumstances; and adaptation often involves planning for or managing uncertainty.

Both “business-as-usual” (BAU) development and adaptation to climate change aim to reach the poorest and most marginalized communities, and often share common approaches to doing so. Development can increase people’s capacities to cope with or respond to stresses in their lives— climatic and otherwise—thereby contributing to adaptation. Similarly, adaptation can facilitate the achievement of development objectives by rendering activities more robust and better able to withstand stresses and shocks. However, development might also make people more vulnerable, thereby undermining adaptation, and vice versa.

Distinguishing BAU development from adaptation to climate change can allow providers and recipients of financial support to better allocate and track resources, while measuring the return on investment or adaptation outcomes of projects. However, this distinction can be difficult to discern, presenting a challenge for funders and project proponents to decide which activities should receive support earmarked for adaptation and under what conditions. Moreover, the distinction has been criticized for several reasons, namely: it makes little difference on the ground; insisting on it may discourage project proponents with limited technical capacity from pursuing or accessing support for adaptation; establishing adaptation as a separate objective from development may hinder later mainstreaming efforts; and requiring projects to meet explicit adaptation criteria may place constraints on the project that reduce its flexibility and its ability to be context-specific and iterative.

This scoping paper unpacks the latest debates and approaches to defining adaptation and distinguishing it from other development investments. It builds on an in-depth literature review of the ongoing dialogue regarding the distinction between adaptation and development, extensive desk-based research of publicly available frameworks and policies of international adaptation funds and bilateral donors, and interviews with representatives from the Adaptation Fund (AF), the Climate Justice Resilience Fund (CJRF), Global Environment Facility (GEF), and the Green Climate Fund (GCF). It identifies common trends and good practices while also presenting any unanswered or lingering questions. Finally, the paper concludes with recommendations to providers of support to adaptation, such as Germany’s Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU), in developing a strategic approach to funding adaptation action in developing countries.



2.0 Trends in the Literature

The starting point in many discussions around BAU development versus adaptation is often framed by looking at the counterfactual: what would take place in the absence of climate change as opposed to what is being implemented because of climate change? However, the answer to this question is not always straightforward.

Climate change adaptation activities can take a wide variety of forms. Climate change may be the main reason for an intervention, such as managed coastal retreat; it may require modifications to accommodate anticipated impacts, such as updated infrastructure design; or it may provide an additional motivation to make familiar development investments, such as livelihood diversification or strengthening traditional resource-governance mechanisms. Indeed, the impacts of climate change are considered in all these cases. However, the extent to which this consideration is tangibly reflected in how the interventions are designed, costed or implemented is the main source of concern. A review of the literature and ongoing adaptation activities found that donors tend to prefer interventions for which climate change may be the main reason.

Technocratic and incremental approaches to adaptation are more prevalent. Donors also tend to prefer technocratic approaches to adaptation that focus on changing practices rather than addressing structural causes of risk. Examples of technocratic approaches include building specific infrastructure, using new technologies, adjusting natural resource management techniques to address climate change impacts. However, these approaches may be too narrow and not lead to meaningful adaptation outcomes (Nagoda, 2015). They may result in meaningful adaptation for some locations, but this is often not the case for areas with lower capacities (McGray, Hammill, & Bradley, 2007). Some suggest that incremental efforts such as “climate proofing” ultimately protect BAU development policies and programs—some of which contribute to and drive the very vulnerability that adaptation programs should seek to address (Eriksen, Inderberg, O’Brien, & Synga, 2015). Further, incremental adaptation approaches in locations that already suffer significant economic or agricultural vulnerabilities—without the added exacerbator of climate change—could in fact result in maladaptation (Castells-Quintana, Lopez-Uribe, & McDermott, 2018).

While less common in practice, transformational approaches to adaptation are more likely to lead to real vulnerability reduction. To this end, trends in the recent literature overwhelmingly call for adaptation projects to address the underlying causes of vulnerability—promoting a transformational approach as opposed to incremental adjustments to maintain current systems. As such, adaptation efforts should target the “dynamics of living with change while also transforming the processes that have contributed to vulnerability in the first place” (O’Brien, Eriksen, Inderberg, & Synga, 2015). The social and political dynamics of poverty, gender, geography, livelihoods and access to information and infrastructure—among other factors contributing to vulnerability—need to be addressed in addition to the experienced and expected climate change impacts. Adaptation is then seen as a larger practice to transform development, through efforts that bolster opportunities for learning, empowerment, leadership and collaboration across sectors, organizations and institutions (O’Brien, et al., 2015).

Adaptation is not a single policy or program, but a process. Patterns in the literature also suggest that rather than framing adaptation as a single decision, adaptation should be viewed as a social process (Eriksen, Nightingale, & Eakin, 2015). It is not one policy or project that results in adaptation, but the nexus between actions—both incremental and transformational—across multiple levels and sectors, embedded in social and political structures (Eriksen, Inderberg, O’Brien, & Synga, 2015). In this framing, funders’ and recipients’ effort to distinguish a climate change adaptation project from a development project is not only complex, it ceases to be the definitional question (Hammill & McGray, 2018). Instead, the main concern is whether or not the proposed activity can address vulnerability while employing an understanding of the current and projected climate change context.



3.0 Efforts to Define the Adaptation Increment by International Funds and Donors

Several international adaptation funds and bilateral donors have made efforts to clarify their definition of adaptation, establish their criteria for accessing adaptation support, and distinguish—or in some cases not distinguish—this support from development funding. The following trends were identified through an analysis of both the publicly available guidelines and policies of adaptation funds and bilateral donors, in addition to stakeholder and expert interviews. The interview template can be found in Annex 2. Annex 3 summarizes some of the adaptation finance guidelines and policies of selected international adaptation funds, bilateral donors, and multilateral development funds.

Defining Adaptation and Establishing Criteria for Accessing Adaptation Support

Most of the adaptation funds' and bilateral donors' definitions of adaptation are modelled after or influenced by that of the Intergovernmental Panel on Climate Change (IPCC, 2018a):

In *human systems*, the process of adjustment to actual or expected *climate* and its effects, in order to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects.

Whereas some authors explicitly define adaptation in their guidelines, others describe the qualities of adaptation activities—often referring to adaptation as a process and suggesting that the proposed activities should minimize the adverse impacts of climate change. An analysis of more than 20 definitions of adaptation put forth by international organizations, donors and adaptation funds found no agreed-upon definition of adaptation—but many shared similar phrases or words (a full list and analysis of these definitions can be found in Annex 1). Among the most frequently recurring words included “impacts,” “expected,” “process” and “adjustment.” Behind “climate,” “adaptation,” and “change,” “impacts” was the most frequently occurring word in definitions—identified 18 times—whereas “vulnerability” was referenced only six times.

Many of the international adaptation funds and bilateral donors provided specific criteria for accessing adaptation support, most of which referenced the requirement to reduce vulnerability or enhance adaptive capacities. Some funds or donors also made note of the requirement to mainstream adaptation activities into ongoing policies and processes, advance gender equality and engage relevant stakeholders. While vulnerability is not referenced often in the funds' or donors' definitions of adaptation, it is sometimes addressed elsewhere in the main fund or donor's main guidelines and policies. In general, however, most of the working definitions of adaptation tend to focus on a more incremental and impacts-focused approach, suggesting a mismatch with the predominant literature on the subject, which proposes a definition of adaptation that is transformational, systemic and addresses the underlying causes of vulnerability.

Distinguishing Adaptation From Development

The funds and donors use a variety of terms to denote the process of defining and supporting adaptation, including:

- **Covering the full cost of adaptation.** The *full cost of adaptation* is used primarily by the AF, and is defined as the “cost associated with implementing concrete adaptation activities that address the adverse impacts of climate change” (Project and Programme Review Committee, Adaptation Fund, 2017). In this regard, projects will receive funding only if their principal and explicit aim is to adapt to climate change and increase climate resilience (Project and Programme Review Committee, Adaptation Fund, 2017).



- **Calculating the *additional cost* or *additionality* of adaptation.** The *additional costs* or the *additionality* of a project signifies that those funds are required in addition to (and separate from) the cost of development, to accommodate for the impacts of climate change. Both the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), operated by the GEF, use the additional cost principle to allocate funding. In this model, any activities implemented in the absence of climate change constitute a baseline, and any altered plan of action to address climate change comprise the financed adaptation project (GEF Secretariat, 2011).
- **Articulating the *adaptation increment*.** Some bilateral donors and multilateral development banks (MDBs) distinguish adaptation from development activities by requiring project proponents to articulate the *adaptation increment*. The basis for tracking many MDB investments in adaptation, for example, considers only those activities specifically designed to address vulnerability to climate change calculated on an increment or component basis (AfDB, et al., 2016). The Nordic Development Fund (NDF) requires a quantification of the incremental investment and operating costs due to climate change—which involves disentangling these costs from those that are not explicitly climate-related (Nordic Development Fund, 2016b). According to the NDF’s operational guidelines, this information on the isolated costs should be supplied by project proponents or co-financiers (Nordic Development Fund, 2016b).
- **Establishing the *climate rationale*.** The Green Climate Fund does not require an exact calculation of the cost of additionality or the adaptation increment, but instead requires project proponents to articulate a *climate rationale*. This rationale should clarify the causal connections between the proposed activity and the context-specific climate risks, impacts and vulnerabilities (Green Climate Fund, 2018a). The climate rationale should be bolstered by climate change information, including vulnerability and risk assessments.

Some funds do not require any disentanglement of the costs of adaptation from development, and instead recognize the interconnected nature of the two and/or employ a broader resilience-focused approach. The CJRF, for example, prioritizes resilience building, empowering those most vulnerable to climate change: i.e., women, youth and Indigenous Peoples. Project proponents are encouraged—with the help of CJRF representatives—to develop a theory of change that includes climate change. The UK Department for International Development (DFID) prioritizes primarily “building resilience of the poorest people and communities,” and does so through adaptation, disaster risk management, and humanitarian assistance (ICF, 2018). DFID’s climate finance strategy is explicitly linked with and aims to deliver on the United Kingdom’s foreign aid strategy, inferring a level of integration with development as opposed to separation. The US Agency for International Development (USAID) also prioritizes integration of its climate change activities with other core development programs, aiming to address both the physical and socioeconomic causes of vulnerability (USAID, 2013). Many of these strategies are employed with the understanding that adaptation is often accounted for by a combination of activities, which could be mitigation- or development-focused.



4.0 Recurring Challenges

In practice—as opposed to in the formal guidelines and policies—distinguishing adaptation from development investments may be more complex to delineate. Therefore, many representatives stated that decisions for the allocation of funding often came down to a judgment based on the climate change information provided in proposals. This highlights the importance of climate change data, assessments and analysis in providing the basis for understanding the adaptation function of activities. While some stated that the onus was on the project proponent to provide this information, others suggested that there is sometimes a lack of technical capacity on behalf of the proponents to do so, and it is therefore the responsibility of the funder to use their expertise and work with potential recipients to help them establish the climate change link, where applicable.

While some funds require an explicit articulation of additionality or the adaptation increment in proposals, many representatives stated that the line between adaptation and development was harder to define for certain sectors. This distinction was especially difficult to establish in the water, sanitation and hygiene (WASH) sectors, and as a result funds either had to reject the proposals or work with the project proponents more closely to clarify the link in order to clear it for approval. In contrast, representatives stated that in agricultural sector project proposals the distinction between adaptation and development tended to be easier to define.

There is no agreed-upon definition of climate resilience and how it may interact with climate change adaptation. While some see adaptation as part of a broader agenda for resilience, others use the terms interchangeably. Still others use the term to mean the inverse of vulnerability. This inconsistency in the use of the term “resilience” may provide a lack of clarity to project proponents.

Both the literature review and assessment of funds and donors reveal that approved activities often take an incremental or technocratic approach to adaptation. However, scholars in the literature review—and many of the assessed funds and donors—stressed that adaptation should be an opportunity for social reform, transforming existing processes that contribute to vulnerability (O’Brien, Eriksen, Inderberg, & Synga, 2015). As funders move away from supporting more incremental, technical adaptation efforts and toward transformation, they may feel that they are taking on the entire development agenda. The importance of applying local context considerations thus cannot be understated, in order to assess what will better equip different communities to deal with climate change. In one context, addressing climate change impacts may be the best way to transform the system and reduce vulnerability; in another, addressing poverty dynamics may enable adaptation projects to have longer-lasting impacts. Finally, establishing indicators to measure the implementation and effectiveness of vulnerability-focused activities continues to be a challenge, ultimately inhibiting the funding of these adaptation actions which may yield more meaningful and long-lasting outcomes.



5.0 Outstanding Questions

Despite these efforts and best practices, there remain several outstanding questions related to defining adaptation and its differences from other development investments. Some of these ongoing questions—as outlined by the literature review, the assessment of frameworks and policies and stakeholder consultations—include:

How can adaptation activities be mainstreamed into ongoing development projects, while still retaining their focus on adaptation? Many funders and donors stressed the importance of integrating and mainstreaming adaptation into development projects, in order for them to have a meaningful and long-term effect. The separation of adaptation from development projects could present a barrier to this integration.

How can this distinction be made in locations that suffer from an “adaptation deficit”? An “adaptation deficit” occurs when a country or region is unable to respond to existing climate variability (Milman & Arsano, 2014). Calculating the additional costs or increments for adaptation then, becomes a complex process when delineating the baseline for activities.

How can lessons learned from implemented or ongoing projects be incorporated back into adaptation definitions and criteria for adaptation support? Adaptation activities should be flexible, context-specific and iterative, making it difficult to define concrete adaptation criteria. Further, many of these funders and project proponents are embarking on these activities for the first time, underscoring the need for continuous learning in guidelines and policies.

How can adaptation funds and donors better collaborate to ensure coherence in guiding policies and lack of duplication in approved projects? Given the growing number of actors in the adaptation space, knowledge sharing and coordination between funds and donors will be essential to ensure clarity for project proponents as well as a lack of duplication of efforts.

How can funds and donors encourage and provide a space for transformation? The literature review and assessment of funders and donors both underlined the importance of transformative adaptation that addresses the underlying causes of vulnerability. This process, however, may not be as easily measured as incremental activities and therefore may not be incentivized.



6.0 Recommendations

Based on the above assessment of other funds and donor experiences in defining their adaptation approach, the following recommendations are offered:

OVERALL:

1. **Apply a shift in thinking.** Instead of asking “Is this development or adaptation?” and worrying about whether you’re funding development, accept that investments in adaptation are investments in (better) development—and this is a good thing.
2. **Remember the basics.** To be considered adaptation, an intervention must address a changing and/or uncertain climate context. “Address” implies a deliberateness in action, that the changing climate has been a key (but not necessarily the only) consideration in how an intervention has been designed, implemented, monitored and evaluated.
3. **Collaborate with other donors and funds.** Given the growing numbers of actors in this space, it is essential that bilateral donors, international adaptation funds and MDBs—among others—coordinate with one another to provide clarity for project proponents while avoiding a duplication of efforts. Adaptation is a process and the result of multiple activities coordinated from different levels and sectors by varying actors. Ensuring that these activities come together for meaningful and long-lasting adaptation to climate change will require enhanced donor collaboration.

WHEN ESTABLISHING A STRATEGY FOR FUNDING ADAPTATION:

4. **Focus more on the “why” rather than on the “what” of an intervention when considering its adaptation function.** Rather than focusing on what an intervention looks like in practice (e.g., new infrastructure, early warning systems, drought-tolerant seeds), focus on the reason it is being proposed as an adaptation effort; a familiar activity that appears to be BAU development may be a smart investment in adaptation (e.g., strengthened water governance, expanded safety net programs, disease detection, etc.), depending on the context.
5. **Recall that the “why” of an intervention is not only about climate stressors but also vulnerability to these stressors.** It is essential (i.e., non-negotiable) in identifying adaptation to characterize the climate events and trends to which an intervention is responding, but the analysis should not stop there. Understanding and addressing the cultural, political, socioeconomic and environmental factors that determine why the system might be harmed/affected by the climate stressors is also important to explaining why the proposed intervention makes sense and what it can achieve in a changing climate context. Further, addressing drivers of vulnerability will help lead to more lasting, sustainable results;
6. **Don’t overlook or underestimate the WASH sectors.** Despite being among the most “climate-sensitive” sectors, adaptation activities undertaken within them can be hard to distinguish from BAU development. Better water management has long been central to the development agenda. With climate change largely manifesting itself through changes in the water cycle, many adaptation efforts will involve more/better/different water management, which may look like BAU development.
7. **Support transformation.** In many contexts, thriving in a changing climate will require more than adjustments to existing practice; in such contexts, climate change impacts may be so rapid or extreme, or people and systems so vulnerable to stress, that fundamental shifts are required in practices, institutions, relationships and power structures. But addressing these can feel too distant from the climate driver or stressor, too big to tackle and too entrenched in prevailing (BAU) development efforts. This doesn’t have to be the case. Supporting adaptation efforts that target and empower marginalized communities and promote integrated approaches over longer time frames and with flexibility can lead to lasting, positive results—and therefore represent sound investments in sustainable development.



WHEN SOLICITING AND REVIEWING PROPOSALS:

8. **Encourage the use of a combination of the adaptation rationale and the theory of change.** To justify the adaptation element of a project, assessing projects based on their adaptation rationale and theory of change will serve to link the activities to climate change risks, vulnerabilities and impacts in a way that is iterative, context-specific and flexible. This will also serve to demonstrate how the proposed activity is integrated into other ongoing policies, programs and projects.
9. **Offer support to project proponents on establishing the adaptation rationale and theory of change.** Project proponents will have expert knowledge on the local context of climate change risks, vulnerabilities and impacts. However, they may not have the necessary technical information or capacities to establish the climate change link needed to justify adaptation funding. Funders should therefore support project proponents in establishing this link—either through developing an adaptation rationale or robust theory of change—using their expertise in the subject while garnering a better understanding of the local context.
10. **Make stakeholder engagement a core requirement in proposals.** Because adaptation is so context-specific, efforts to support it must be informed by the experiences, priorities and aspirations of those most affected. Stakeholders should thus be empowered and involved in the development of an adaptation rationale and theory of change. The responsibility for and ownership of these critical frameworks should be shared.



References

- Adaptation Fund. (2009). *Accessing resources from the adaptation fund: The handbook*. Bonn: United Nations Framework Convention on Climate Change (UNFCCC).
- Adaptation Fund. (2015, January 9). *What is Adaptation?* Retrieved from <https://www.adaptation-fund.org/faq-items/what-is-adaptation/>
- Adaptation Fund. (2018a). *About the Adaptation Fund*. Retrieved from <https://www.adaptation-fund.org/about/>
- Adaptation Fund. (2018b). *Medium-Term Strategy 2018-2022*. Washington, D.C.: Adaptation Fund.
- Adaptation Fund Board. (2014). *Annex 1: Strategic Priorities, Policies, and Guidelines of the Adaptation Fund Adopted by the CMP*. Washington, D.C.: Adaptation Fund. Retrieved from <https://www.adaptation-fund.org/wp-content/uploads/2015/01/OPG%20ANNEX%201.pdf>
- Adaptation Fund Board. (2017). *Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund*. Washington, D.C.: Adaptation Fund.
- Adaptation Fund Board. (2017). *Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (Amended in October 2017)*. Washington, D.C.: Adaptation Fund.
- Agence française de développement (AFD). (2017, November 13). *What is adaptation to climate change?* Retrieved from <https://www.afd.fr/en/what-adaptation-climate-change>
- Agence française de développement. (2019). *Adapt'Action: Addressing climate impacts together*. Paris: Agence française de développement.
- Agence française de développement. (2019). *Adapt'Action: Working together to tackle climate change*. Retrieved from <https://www.afd.fr/en/adaptaction>
- African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank Group (IDBG), World Bank Group (WBG). (2016). *2015 Joint Report on Multilateral Development Banks' Climate Finance*. Retrieved from <https://publications.iadb.org/publications/english/document/2015-Joint-Report-On-Multilateral-Development-Banks-Climate-Finance.pdf>
- Andersson, E., & Keskitalo, E. (2018). Adaptation to climate change? Why business-as-usual remains the logical choice in Swedish forestry. *Global Environmental Change*, 48, 76–85.
- Castells-Quintana, D., Lopez-Uribe, M. D., & McDermott, T. K. (2018). Adaptation to climate change: A review through a development economic lens. *World Development*, 104(C), 183-196.
- Climate Justice Resilience Fund. (2016). *Strategic Framework*. Washington, D.C.: Oak Foundation. Retrieved from <https://static1.squarespace.com/static/5841c73ebefabcb758758f/t/5845d1dbe4fcb5c4ed916510/1480970721140/Climate+Justice+Resilience+Fund+-+Strategic+Framework%281%29.pdf>
- Climate Justice Resilience Fund. (2017). *Climate Justice Resilience Fund: Making grants to support community-led solutions for climate resilience*. Retrieved from <https://www.cjrfund.org/>
- Commonwealth of Australia. (2015). *National Climate Resilience and Adaptation Strategy 2015*. Commonwealth of Australia.
- Department for Environment, Food & Rural Affairs (DEFRA). (2012). *Future Worlds images*. London: Department for Environment, Food & Rural Affairs. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192061/future-worlds.pdf



Department for International Development (DFID). (2011). *Defining disaster resilience: A DFID Approach Paper*. London: Department for International Development. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/186874/defining-disaster-resilience-approach-paper.pdf

Department for International Development. (2018). *2018 UK Climate Finance Results*. London: Department for International Development.

Eriksen, S. H., Nightingale, A. J., & Eakin, H. (2015). Reframing adaptation: The political nature of climate change adaptation. *Global Environmental Change*, 35, 523–533.

Eriksen, S., Inderberg, T. H., O'Brien, K., & Sygna, L. (2015). Introduction: Development as usual is not enough. In T.H. Inderberg, S. Eriksen, K. O'Brien and L. Sygna (Eds.), *Climate Change Adaptation and Development - Transforming Paradigms and Practices*, pp 1–18. London: Routledge.

European Commission. (n.d.). *Adaptation to climate change*. Retrieved from European Commission, EU Action: https://ec.europa.eu/clima/policies/adaptation_en

Federal Ministry of Economic Cooperation and Development (BMZ). (2017). *Adaptation to climate change*. Bonn: Federal Ministry for Economic Cooperation and Development (BMZ), Climate Policy Division. Retrieved from https://www.bmz.de/en/publications/topics/climate/Materilie325_Adaptation-to-Climate-Change.pdf

France Diplomatie. (2017, December 5). *Financing: A key issue in the fight against climate change*. France Diplomatie. Retrieved from <https://www.diplomatie.gouv.fr/en/french-foreign-policy/climate/financing-the-fight-against/>

Global Climate Change Alliance Plus Initiative (GCCA+). (2018). *How does GCCA+ funding work?* Retrieved from <http://www.gcca.eu/funding/how-does-gcca-funding-work>

Global Climate Change Alliance Plus Initiative. (2018). *The eligibility criteria*. Retrieved from <http://www.gcca.eu/funding/eligibility-criteria>

Global Environment Facility (GEF) Secretariat. (2011). *GEF-5 Strategy on Adaptation to Climate Change*. Nairobi: Global Environment Facility. Retrieved from https://www.thegef.org/sites/default/files/publications/GEF-ADAPTION_STRATEGIES_2.pdf

Global Environment Facility Secretariat. (2016). *Time to adapt: Insights from the GEF's experience in adaptation to climate change*. Nairobi: Global Environment Facility (GEF). Retrieved from https://www.thegef.org/sites/default/files/publications/GEF_Adaptation2016_final_0_0.pdf

Global Environment Facility Secretariat. (2018a). *GEF programming strategy on adaptation to climate change for LDCF and the SCCF and operational improvements*. Nairobi: Global Environment Facility. Retrieved from https://www.thegef.org/sites/default/files/documents/EN_GEF.LDCF_SCCF_24.03_Programming_Strategy_and_Operational_Policy_2.pdf

Global Environment Facility Secretariat. (2018b). *Least Developed Countries Fund - LDCF*. Retrieved from <https://www.thegef.org/topics/least-developed-countries-fund-ldcf>

Global Environment Facility. (2019). *About Us*. Retrieved from <https://www.thegef.org/about-us>

Green Climate Fund. (2018a). *Approach and scope for providing support to adaptation activities - Addendum 1: The GCF's approach to adaptation: analysis and implications for the Fund*. Manama, Bahrain: Green Climate Fund. Retrieved from https://www.greenclimate.fund/documents/20182/1270184/GCF_B.21_Inf.03_Add.01_-_Approach_and_scope_for_providing_support_to_adaptation_activities_Addendum_I_The_GCF_s_approach_to_adaptation_analysis_and_implications_for_the_Fund.pdf/d178b4f3-412c-29b6-2530-f7792e2114fb



Green Climate Fund. (2018b). *Readiness and preparatory support guidebook*. Incheon, Republic of Korea: Green Climate Fund. Retrieved from [https://www.greenclimate.fund/documents/20182/574766/Guidelines - Readiness and Preparatory Support Guidebook.pdf/9eea580f-a109-4d90-b281-c54695114772](https://www.greenclimate.fund/documents/20182/574766/Guidelines_-_Readiness_and_Preparatory_Support_Guidebook.pdf/9eea580f-a109-4d90-b281-c54695114772)

Green Climate Fund. (2019). *About the Fund*. Retrieved from <https://www.greenclimate.fund/who-we-are/about-the-fund>

Hammill, A., & McGray, H. (2018, March 5). *Is it adaptation or development? Revisiting the continuum 10 years later*. IISD Blog. Retrieved from <https://www.iisd.org/library/it-adaptation-or-development-revisiting-continuum-10-years-later>

International Climate Finance (ICF). (2018). *International climate finance*. London: UK International Climate Finance.

Inderberg, T. H., Eriksen, S., O'Brien, K., & Sygna, L. (2015). *Climate change adaptation and development*. London and New York: Routledge Taylor & Francis Group.

Intergovernmental Panel on Climate Change (IPCC). (2018a). *Global Warming of 1.5 °C: Glossary*. Geneva: Intergovernmental Panel on Climate Change. Retrieved from <https://www.ipcc.ch/sr15/chapter/glossary/>

Intergovernmental Panel on Climate Change. (2018b). *Summary for policymakers*. Geneva, Switzerland: World Meteorological Organization. Retrieved from <https://www.ipcc.ch/sr15/chapter/summary-for-policy-makers/>

Japan International Cooperation Agency. (2016). *JICA Climate Change Cooperation Strategy*. Tokyo: JICA. Retrieved from https://www.jica.go.jp/english/our_work/climate_change/strategy.html

Japan International Cooperation Agency. (2018). *JICA's cooperation on climate change: Towards a sustainable and zero-carbon society*. Tokyo: Office for Climate Change, Global Environment Department, Japan International Cooperation Agency. Retrieved from https://www.jica.go.jp/english/our_work/climate_change/c8h0vm00005rzelb-att/cooperation_01_en.pdf

JICA Global Environment Department. (2011). *JICA Climate-FIT (Adaptation) Draft Ver. 1.0*. Tokyo: Japan International Cooperation Agency (JICA). Retrieved from https://www.jica.go.jp/english/our_work/climate_change/pdf/adaptation_all.pdf

LDC Expert Group. (2012). *National Adaptation Plans: Technical guidelines for the national adaptation plan process*. United Nations Framework Convention on Climate Change. Retrieved from <https://unfccc.int/topics/adaptation-and-resilience/workstreams/national-adaptation-plans-naps/guidelines-for-national-adaptation-plans-naps>

LDCF/SCCF Council. (2018). *GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund and Operational Improvements July 2018 to June 2022*. De Nang, Vietnam: Global Environment Facility. Retrieved from https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.LDCF_SCCF_24.03_Programming_Strategy_and_Operational_Policy_2.pdf

McCubbin, S., Smit, B., & Pearce, T. (2015). Where does climate fit? Vulnerability to climate change in the context of multiple stressors in Funafuti, Tuvalu. *Global Environmental Change* 30, 43–55.

McGray, H., Hammill, A., & Bradley, R. (2007). *Weathering the storm: Options for framing adaptation and development*. Washington, D.C.: World Resources Institute. Retrieved from https://pdf.wri.org/weathering_the_storm.pdf

Milman, A., & Arsano, Y. (2014). Climate adaptation and development: Contradictions for human security in Gambella, Ethiopia. *Global Environmental Change*, 29, 349–359.



Nagoda, S. (2015). New discourses but same old development approaches? Climate change adaptation policies, chronic food insecurity and development interventions in northwestern Nepal. *Global Environmental Change*, 35, 570–579.

Natural Resources Canada. (2015, November 13). *Chapter 1: An introduction to climate change adaptation*. Retrieved from <https://www.nrcan.gc.ca/environment/resources/publications/impacts-adaptation/reports/municipalities/10081>

National Climate Change Adaptation Research Facility (NCCARF). (n.d.). *What does climate change mean for Australia?* Retrieved from <https://www.nccarf.edu.au/content/adaptation>

NGO letter to the GCF. (2017, June 28). Retrieved from <https://www.scribd.com/document/352522867/NGO-letter-to-the-GCF>

Nordic Development Fund. (2016a). *Agile and innovative - NDF Strategy: 2016*. Nordic Development Fund. Retrieved from https://www.ndf.fi/sites/ndf.fi/files/attach/ndf_strategy2016_lowres_0.pdf

Nordic Development Fund. (2016b). *Guidelines for project identification and screening*. Helsinki: Nordic Development Fund. Retrieved from http://www.ndf.fi/sites/ndf.fi/files/attach/ndf_guidelines_for_project_identification_and_screening_april_final.pdf

Nordic Development Fund. (2018). *Nordic Development Fund*. Retrieved from <https://www.ndf.fi/>

O'Brien, K., Eriksen, S., Inderberg, T. H., & Sygna, L. (2015). Climate change and development: Adaptation through transformation. In T.H. Inderberg, S. Eriksen, K. O'Brien and L. Sygna (Eds.), *Climate change adaptation and development - Transforming paradigms and practices*. London: Routledge.

Pearce, R., & Hickman, L. (2017, October 10). *Mapped: How UK foreign aid is spent on climate change*. Carbon Brief. Retrieved from <https://www.carbonbrief.org/mapped-how-uk-foreign-aid-is-spent-climate-change>

Project and Programme Review Committee, Adaptation Fund. (2017). *Proposal clarifying the scope of application of the full cost of adaptation reasoning criterion*. Bonn: Adaptation Fund. Retrieved from <https://www.adaptation-fund.org/document/proposal-clarifying-scope-application-full-cost-adaptation-reasoning-criterion/>

ReliefWeb. (2018, June 13). *2017 Joint report on multilateral development banks' climate finance*. ReliefWeb. Retrieved from <https://reliefweb.int/report/world/2017-joint-report-multilateral-development-banks-climate-finance>

Spearman, M. (2014). *International Adaptation Core Indicators: A Review of Adaptation Indicators used by Development Agencies and Countries*. Brussels: Baastel, DFID. Retrieved from <https://www.gov.uk/dfid-research-outputs/international-adaptation-core-indicators-a-review-of-adaptation-indicators-used-by-development-agencies-and-countries>

Tango International. (2018). *Overall Evaluation of the Adaptation Fund July 2017 - June 2018*. Washington, D.C.: World Bank. Retrieved from https://www.adaptation-fund.org/wp-content/uploads/2018/06/AF_Phase2_Eval_4June.pdf

UN Environment. (2018). *The Adaptation Gap Report 2018*. Nairobi, Kenya: UN Environment. Retrieved from <https://www.unenvironment.org/resources/adaptation-gap-report>

United Nations Framework Convention on Climate Change (UNFCCC). (2019). *Glossary of climate change acronyms and terms*. Retrieved from <https://unfccc.int/process-and-meetings/the-convention/glossary-of-climate-change-acronyms-and-terms>

United Nations Framework Convention on Climate Change. (2019). *Understanding the UN climate change regime*. Retrieved from <https://unfccc.int/resource/bigpicture/#content-understanding-the-un-climate-change-regime>



United States Agency for International Development (USAID). (2012). *Climate change & development: Clean resilient growth*. Washington, D.C.: USAID

United States Agency for International Development. (2013). *USAID Climate Change and Development Strategy 2012-2016: Extended to September 2018*. Washington, D.C.: United States Agency for International Development. Retrieved from http://pdf.usaid.gov/pdf_docs/PDACS780.pdf

Weikmans, R., Roberts, J., Baum, J., Bustos, M. C., & Durand, A. (2017). Assessing the credibility of how climate adaptation aid projects are categorised. *Development in Practice*, 27, 458-471.

Weiler, F., Klöck, C., & Dornan, M. (2018). Vulnerability, good governance, or donor interests? The allocation of aid for climate change adaptation. *World Development*, 104, 65-77.



Annex 1: Definitions of Adaptation / Adaptation Activities

Fund / Agency	Definition of Adaptation	Source
Adaptation Fund	“Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.” (IPCC)	(Adaptation Fund, 2015)
	Under decision 10/CP.7 “A concrete adaptation project/programme is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. The activities shall aim at producing visible and tangible results on the ground by reducing vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change, including climate variability. Adaptation projects/programmes can be implemented at the community, national, regional and transboundary level. Projects/programmes concern activities with a specific objective(s) and concrete outcome(s) and output(s) that are measurable, monitorable, and verifiable.”	(Adaptation Fund Board, 2017)
	“An adaptation programme is a process, a plan, or an approach for addressing climate change impacts that is broader than the scope of an individual project.”	(Adaptation Fund Board, 2017)
African Development Bank	<i>see Multilateral Development Banks</i>	
Agence Française de Développement	“Adjust to climate change and its consequences: every country in the world now faces this new challenge called adaptation. It is a costly mechanism that calls for concerted, collective action and effective tools to try to predict the unpredictable.”	(AFD, 2017)
Asian Development Bank	<i>see Multilateral Development Banks</i>	
Baastel	“As far as defining climate change adaptation success in the context of development, from among the resources reviewed, most organizations used a definition synonymous with ‘the process of adjusting to new conditions, stresses and natural hazards that result from climate change. Adaptation to climate change takes places in response to impacts already, as well as in anticipation of expected impacts.’ Some sources also acknowledge the difference between anticipatory, autonomous, and planned adaptation. Also important is the distinction between an ‘adaptation project’ and ‘business as usual development with adaptation options,’ the latter of which could be considered climate risk screening and/or climate proofing development interventions.”	(Spearman, 2014)



Fund / Agency	Definition of Adaptation	Source
Climate Justice Resilience Fund	The Climate Justice Resilience Fund (CJRF) has not explicitly defined adaptation or resilience in its guiding documents. CJRF aims to have an iterative and contextual definition of adaptation and resilience, prioritizing women, youth and Indigenous People.	Interview with Heather McGray
	According to their guiding principles, CJRF seeks to “support communities first hit, first to respond, and first to adapt to climate change to develop and scale climate solutions that help them reduce risks, manage shocks, rebound, and continue charting a sustainable development path.”	(Climate Justice Resilience Fund, 2017)
UK Department for International Development (DFID)	DFID uses a working definition of resilience—as opposed to adaptation—in their climate programming: “Disaster resilience is the ability of countries, communities and households to manage change, by maintaining or transforming living standards in the face of shocks or stresses—such as earthquakes, drought or violent conflict—without compromising their longer-term prospects.”	(DFID, 2011)
UK Department for Environment Food and Rural Affairs	“Altering our behaviour to respond to these impacts of climate change is known as ‘adaptation.’ It means not only protecting against negative impacts, but also make us better able to take advantage of any benefits. The earlier we start adaptation, the less it will cost and the better equipped we will be to cope with these and other potential changes.”	(DEFRA, 2012)
Australia Department of the Environment and Energy	“Climate change adaptation helps individuals, communities, organisations and natural systems deal with those consequences of climate change that emissions reduction cannot help us avoid. Adaptation can involve gradual transformation with many small steps over time, or major transformation with rapid change. Adaptation captures a wide range of possible policies, actions and choices, including: <ul style="list-style-type: none"> • Policies and regulations such as building codes or environmental protection legislations • Strategic investment in built infrastructure such as seawalls and levees, and the protection of natural infrastructure such as sand dunes and mangroves • Education and information that changes behavior, for example online information providing residential building resilience ratings for home buyers, or autonomous adjustment of market prices (such as insurance premiums) to reflect and communicate changing levels of risk • Changes in business management practices, such as shifting planting dates and introducing new plant varieties, or in helping mining communities and operational staff prepare for heat waves.” 	(Commonwealth of Australia, 2015)



Fund / Agency	Definition of Adaptation	Source
EU Action, European Commission	“Adaptation means anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize the damage they can cause, or taking advantage of opportunities that may arise. It has been shown that well planned, early adaptation action saves money and lives later.”	(European Commission, n.d.)
Germany Federal Ministry of Economic Cooperation and Development	“The process of adjusting and responding to the impact of climate change is commonly known as adaptation.”	(BMZ, 2017)
	“Adaptation efforts can significantly reduce but not entirely avert the negative impact of extreme weather events, such as droughts, flood and tropical cyclones.”	(BMZ, 2017)
Global Climate Change Alliance+ (EU)	<i>see EU Action, European Commission</i>	
Global Commission on Adaptation	The Global Commission on Adaptation’s definition aligns with the IPCC: “In human systems, the process of adjustment to actual or expected climate and its effects in order to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate.”	(UNEP, 2018)
Global Environment Facility	“Climate adaptation concerns efforts to protect or manage natural systems in order to create natural buffers to climatic impacts and improve socioeconomic resilience. Adaptation reaches into the realms of public health, international water resource management, insurance, and social issues such as land tenure and gender equality.”	(GEF Secretariat, 2016)
	The GEF aligns their definition of adaptation with the Paris Agreement and IPCC 2014, as “the process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects.”	(GEF Secretariat, 2016)
	“The goal of the GEF-7 Adaptation strategy is to strengthen resilience and reduce vulnerability to the adverse impacts of climate change in developing countries, and support their efforts to enhance adaptive capacity.”	(LDCF/SCCF Council, 2018)



Fund / Agency	Definition of Adaptation	Source
Green Climate Fund	“Adapting to climate change is the process of adjusting and responding to actual or expected climate change and their effects.”	(Green Climate Fund, 2018a)
	“With a few exceptions that are highly climate-specific, such as climate data collection and climate risk modeling, enabling communities to adapt means supporting development activities, but doing so in a way that is informed by an understanding of climate change, its effects, and how to cope with its likely consequences.”	(Green Climate Fund, 2018a)
Inter-American Development Bank	<i>see Multilateral Development Banks</i>	
Intergovernmental Panel on Climate Change	“In human systems, the process of adjustment to actual or expected climate and its effects, in order to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects.”	(IPCC, 2018)
Japan International Cooperation Agency	“Building resilience against the negative impacts of climate change.”	(JICA, 2018)
	<p>According to the Climate Finance Impact Tool for Adaptation, the Japan International Cooperation Agency (JICA) adopts its definition of climate change from the OECD’s Addendum on the Climate Change Adaptation Marker:</p> <p>“Activities which intend to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience.”</p>	(JICA Global Environment Department, 2011)
Multilateral Development Banks AfDB, ADB, EBRD, EIB, IDBG, WBG	<p>“Climate adaptation is undertaken to lower the current and expected risks or vulnerabilities posed by climate change. For a project to be counted towards MDB adaptation finance, it must:</p> <p>Set out the climate vulnerability context for the project; Make an explicit statement of intent to address climate vulnerability as part of the project; and Articulate a clear and direct link between the climate vulnerability context and the specific project activities.”</p>	(AfDB, et al., 2016)
Australia National Climate Change Adaptation Research Facility	“Adaptation consists of actions undertaken to reduce the adverse consequences of climate change, as well as to harness any beneficial opportunities. Adaptation actions aim to reduce the impacts of climate stresses on human and natural systems.”	(NCCARF, n.d.)



Fund / Agency	Definition of Adaptation	Source
Natural Resources Canada	“Climate change adaptation refers to actions that reduce the negative impact of climate change, while taking advantage of potential new opportunities. It involves adjusting policies and actions because of observed or expected changes in climate. Adaptation can be reactive, occurring in response to climate impacts, or anticipatory, occurring before impacts of climate change are observed. In most circumstances, anticipatory adaptations will result in lower long-term costs and be more effective than reactive adaptations.”	(Natural Resources Canada, 2015)
Nordic Development Fund	“Adaptation covers a wide range of activities that will enhance the ability of partner countries to respond to climate change-related issues such as sea level rise; storms, floods, and drought; and threats to water resources, health, infrastructure, and agriculture. Adaptation measures may include climate change impact analysis and national adaptation planning as well as “climate proofing” of sectors, geographic areas and specific projects.”	(Nordic Development Fund, 2016b)
	“The guiding principle for NDF approval is that adaptation projects should be defined as those that are primarily aimed at responding to the adverse consequences of climate change, hence, explicitly contributing to increasingly climate-resilient sustainable development. The core screening criteria for adaptation projects are as follows: Projects should satisfy standard economic and social tests (or be expected to if not easily quantified) at the national level, i.e. excluding global impacts. Projects should be primarily climate-related, i.e. at least 50% of total project investment costs would be incurred due to measures helping to adapt and build resilience to the current or expected impacts of climate change.”	(Nordic Development Fund, 2016b)
United Nations Framework Convention on Climate Change	“Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.”	(UNFCCC, 2019)
US Agency for International Development	“The objective of adaptation is therefore to help societies anticipate and incorporate plans for responding to potential climate change impacts into economic and political systems to ensure a more secure future. This entails cross-sectoral planning to cope with projected changes such as higher peak temperatures, scarcer water, higher sea levels or changing weather patterns. Climate adaptation requires that we utilize science, technology, innovation, and the best available information to understand and respond to unavoidable impacts.”	(USAID, 2013)



Phrase Frequency Counter in Adaptation Definitions

The following identifies recurring phrases or words in the aforementioned definitions of adaptation. This is used to determine if there is a common understanding of adaptation, recurring words used in multiple definitions, an alignment with the UNFCCC, etc.

(FREQUENCY OF PHRASE – PHRASE)

5-word phrase count	4-word phrase count	3-word phrase count	2-word phrase count
5 – process of adjustment to actual	7 – impacts of climate change	15 – of climate change	29 – climate change
5 – expected climate and its effects	7 – climate and its effects	8 – impacts of climate	16 – of climate
4 – to actual or expected climate	6 – to actual or expected	7 – climate and its	9 – such as
4 – systems the process of adjustment	5 – process of adjustment to	7 – and its effects	9 – impacts of
4 – climate and its effects	5 – expected climate and its	6 – to actual or	8 – to actual
3 – or exploit beneficial opportunities in	4 – the process of adjustment	5 – to climate change	8 – process of
3 – or expected climate and its	4 – systems the process of	5 – the process of	8 – or expected
3 – of adjustment to actual or	4 – and its effects	5 – process of adjustment	8 – natural systems
3 – may facilitate adjustment to expected	4 – actual or expected climate	5 – of adjustment to	8 – its effects
3 – intervention that may facilitate adjustment to		5 – expected climate and	8 – adjustment to
3 – harm or exploit beneficial opportunities		5 – adjustment to actual	7 – expected climate
3 – facilitate adjustment to expected climate			7 – climate and
3 – climate and its effects in			6 – to climate
3 – adjustment to actual or expected			6 – beneficial opportunities
3 – actual or expected climate and			6 – actual or

Word Frequency Counter in Adaptation Definitions

(FREQUENCY OF WORD – WORD)

Words like “and” and “to” have been edited out of this list.

61 – climate	13 – natural	9 – development	7 – activities
41 – adaptation	12 – effects	8 – project	6 – vulnerability
32 – change	11 – human	8 – opportunities	6 – beneficial
18 – impacts	11 – adjustment	8 – actual	6 – action
14 – systems	9 – resilience	7 – reduce	
14 – expected	9 – process	7 – projects	



Annex 2: Stakeholder Interview Template

Defining Adaptation and the Adaptation Increment

Questions for [Fund Name]

[First and Last Name of Interviewee(s)] | [Contact Information]

[Date of Interview] [Time of Interview]

[Medium of Interview (in-person, Skype, phone, etc.)]

The International Institute for Sustainable Development (IISD) is currently conducting research and analysis to support BMU's efforts on defining adaptation and the adaptation increment. As part of this work, IISD will be conducting interviews with key stakeholders, including members of other international adaptation funds and bilateral donors, to discuss what they are doing to define adaptation, calculate the adaptation increment, additionality, and how they are distinguishing their adaptation investments from other support for sustainable development.

The following questions will be used as a basis for the interview, subject to change by the interviewee.

1. The terms “adaptation increment,” “adaptation rationale,” and “additionality” have all been used to define and describe what actions constitute contributing to adaptation, as opposed to business-as-usual development. Are there any sensitivities or preferences about which term is used by [Fund Name]? Which is preferred, and why?
2. According to [Fund Name]'s operational policies and guidelines, adaptation is defined as “[Operational definition of adaptation as determined by the Fund's guidelines].” Could you please speak to how this definition and criteria was established, and by whom?
3. How does [Fund Name] ensure that climate change adaptation is incorporated into its projects and is distinguished from development projects?
4. Are there any plans to modify this definition and criteria in the future? If so, what are the next steps in this process?
5. How does [Fund Name] define climate resilience, as opposed to climate change adaptation?
6. In practice, as opposed to in theoretical frameworks and guidelines, how have project proponents distinguished their proposals from a business-as-usual development initiative? Could you provide any examples of where this additionality or adaptation rationale was articulated successfully? Unsuccessfully?
7. Are there any specific sectors or types of projects, in practice, for which the adaptation rationale tends to be clearer or more inherent? Conversely, are there any specific sectors or types of projects which more often struggle to establish the adaptation rationale?
8. Should the fact that activities deliver development benefits in the absence of climate change adaptation preclude them from being considered for adaptation funding?
9. What lessons or best practices would you like to share with other adaptation funds struggling to make this distinction between adaptation and development?
10. How is [Fund Name] different from other adaptation funds and bilateral donors? What would you say are some of the defining features that are unique to this Fund?



Annex 3: International Adaptation Funds & Donors: Guideline Summaries

Adaptation Fund (AF)

The Adaptation Fund (AF) was established in 2001 under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC), and officially launched in 2007 (Adaptation Fund, 2018a). Since 2010, AF has committed USD 532 million to climate change adaptation and resilience, supporting more than 80 adaptation projects (Adaptation Fund, 2018a).

The main goal of the Fund is to support adaptation activities “that reduce vulnerability and increase adaptive capacity to respond to the impacts of climate change, including variability at the local and national levels” (Adaptation Fund Board, 2017). The Fund mandates that special attention should be paid to the particular needs of the most vulnerable communities, and that projects should be consistent with relevant national development, poverty reduction, and climate change strategies (Adaptation Fund, 2009). It funds *concrete* adaptation projects or programs, defined as a set of activities explicitly aimed at addressing the adverse impacts of and risks posed by climate change (Adaptation Fund Board, 2017). This is accomplished through efforts on the following cross-cutting themes, defined in its Medium-Term Strategy from 2018–2022:

- Engaging and empowering the most vulnerability communities and social groups
- Advancing gender equality and the empowerment of woman girls
- Strengthening long-term institutional and technical capacity for effective adaptation
- Building complementarity and coherence with other climate finance delivery channels (Adaptation Fund, 2018b).

AF pioneered the direct-access modality, in which approved National Implementing Entities can access financing to manage all aspects of climate change adaptation projects. The Green Climate Fund (GCF) has also employed direct-access mechanisms for accredited entities.

Funding is provided to projects and programs based on the principle of their *full cost of adaptation*. As outlined by the 2009 Operational Policies and Guidelines, the full cost of adaptation is determined as the “cost associated with implementing concrete adaptation activities that address the adverse impacts of climate change” (Project and Programme Review Committee, Adaptation Fund, 2017). This stipulates that funding will only be provided to those projects that have the principle and explicit aim to adapt and increase climate resilience (Project and Programme Review Committee, Adaptation Fund, 2017). The onus is on the project proponent to justify the adaptation and climate resilience component, thus differentiating it from business-as-usual development.

According to the 2014 Strategic Priorities, Policies and Guidelines of the AF, the decision to allocate funding is based on the following:

- The level of vulnerability of project proponents
- The level of urgency and risks arising from delay in implementing the project
- Ensuring access to the fund is balanced and equitable
- Lessons learned in project or programme are captured
- Regional co-benefits are secured to the extent possible
- Maximizing multi-sectoral and cross-sectoral benefits
- Increasing the adaptive capacity to the adverse effects of climate change (Adaptation Fund Board, 2014).



A 2018 review by Tango International of Adaptation Fund projects found that most of the approved proposals contained at least one physical output, referencing structural or physical adaptation measures (Tango International, 2018). This directly relates to the Fund’s mandate to provide funding to concrete activities. And while the review found that AF contributes to the global climate finance architecture by providing an exclusive focus on adaptation, it also found that many of the proposals presented had gaps in articulating their adaptation rationale, often lacking evidence or baselines relating to local climate risks and impacts (Tango International, 2018).

Agence Française de Développement (AFD)

In response to the Paris Agreement, France has pledged to increase its climate financing in developing countries from EUR 3 billion in 2015 to EUR 5 billion in 2020, targeting both mitigation and adaptation measures (France Diplomatie, 2017). From 2015 to 2016, disbursement for adaptation rose by 5 per cent to EUR 606 million, representing approximately 17 per cent of AFD’s climate-related activity (France Diplomatie, 2017).

As the implementing agency for France’s Ministry of Europe and Foreign Affairs, the Agence Française de Développement (AFD) launched the Adapt-Action facility to support countries seeking technical assistance for the implementation of their commitments on climate change (AFD, 2019). The overall objective of the facility is to: “equip countries to provide them with greater access to climate finance and facilitate the emergence of adaptation to climate change investments” (AFD, 2019). It prioritizes countries in Africa, the least-developed countries (LDCs), and small island developing states (SIDS). It employs three axes of operations:

1. Support of climate governance for the implementation of the Nationally Determined Contributions (NDCs)
2. Support to mainstream adaptation issues into sectoral public policies
3. Support for the preparation of structural projects and programs in adaptation (AFD, 2019).

AFD defines adaptation as “adjusting to climate change and its consequences,” asserting that this is a new challenge that requires concerted, collective action and effective tools to try to “predict the unpredictable” (AFD, 2017).

Climate Justice Resilience Fund (CJRF)

Created in 2016 through a grant from the Oak Foundation, the Climate Justice Resilience Fund (CJRF) is a grant-making initiative targeting women, Indigenous Peoples, and youth to “create and share their own solutions for resilience” (Climate Justice Resilience Fund, 2017). Its objective is to empower these groups—often most vulnerable to and first hit by climate change—to lead in a way that is more just and equitable for everyone (Climate Justice Resilience Fund, 2017).

CJRF works toward this objective through four project entry points: water access, food security and sovereignty, sustainable livelihoods, and migration and relocation (Climate Justice Resilience Fund, 2017). While CJRF does not employ a strict definition of adaptation, the fund focuses on resilience as a way to manage shocks for communities so that they can rebound and continue on a pathway toward sustainable development (Climate Justice Resilience Fund, 2016).

Global Climate Change Alliance Plus Initiative (GCCA+)

The Global Climate Change Alliance Plus Initiative (GCCA+) is a European Union (EU) program to support adaptation, mitigation and disaster risk-reduction efforts, targeting LDCs and SIDS in line with the OECD Development Assistance Committee List of Official Development Assistance Recipients and the United Nations’ list of SIDS (GCCA+, 2018). Programming is done on a yearly basis, defined by the national priorities for climate action identified by EU delegates. In addition, GCCA+ provides direct funding and technical support in Africa, the Caribbean, and the Pacific to build regional policy dialogue and share knowledge on climate change issues (GCCA+, 2018).



Allocation of funding is determined by the following eligibility criteria:

- The quality of the request made and any endorsements from relevant country authorities
- The status of the dialogue between the country and the EU on climate change-related topics
- Political factors, including strategy and enforced cooperation with certain countries
- The role the country plays in UNFCCC negotiations and its commitments to the process (GCCA+, 2018).

Once these criteria are applied, GCCA+ will allocate funding based on which countries are most vulnerable to the adverse effects of climate change, using their index of climate-resilient development (GCCA+, 2018).

Green Climate Fund (GCF)

The Green Climate Fund (GCF) was founded in 2010 as part of the UNFCCC’s financial mechanism to deliver funding to mitigation and adaptation (Green Climate Fund, 2019). Launching its initial resource mobilization in 2014, the GCF has more than USD 10.3 billion in pledges, USD 2 billion of which are currently under implementation (Green Climate Fund, 2019). Of the total funding, 23 per cent is currently devoted to adaptation, with the remaining devoted to either mitigation or cross-cutting projects (Green Climate Fund, 2019).

The objective of GCF adaptation planning support is to contribute to reducing vulnerability to the impacts of climate change and to facilitate the integration of climate change adaptation into relevant policies and programs (Green Climate Fund, 2018b). It defines adaptation as “the process of adjusting and responding to actual or expected climate changes and their effects” (Green Climate Fund, 2018a). In its Readiness and Preparatory Support Guidebook, the GCF provides an indicative list of activities that can be supported by the program, including funding for training, engaging in and holding dialogues, developing awareness-raising materials—among others (Green Climate Fund, 2018b). Its review criteria for project proponents includes the following:

- A strategic focus within a national vision
- A plan to address specific vulnerabilities and climate impacts
- An adaptation financing strategy
- A theory of change
- Avoidance of a duplication of efforts
- Stakeholder engagement
- Gender considerations
- A private sector investment strategy
- Monitoring and evaluation
- Coherence with other funds (Green Climate Fund, 2018b).

Like the AF, the GCF has a focus on direct-access modalities, with many funds going through commercial banks. In addition, the scale of investment employed by the GCF sets it apart from other climate change adaptation funds, with medium-range projects reaching approximately USD 250 million.

In 2017, the GCF was criticized for focusing too heavily on the distinction between development and adaptation in its approval process. An open letter to the GCF from more than 80 organizations stated that adaptation funding should be more transformational, instead of focused on one-off approaches (NGO letter to the GCF, 2017). The letter urged the GCF to understand adaptation and development as falling on a continuum, with the distinction between the two as largely artificial (NGO letter to the GCF, 2017).

The GCF currently has a mandate to develop clear guidance on establishing the climate rationale, in order to aid project proponents articulate and justify the adaptation component of a project. This mandate was



established in recognition that enabling communities to adapt may mean supporting traditional development activities, but doing so in a way that recognizes the impacts of climate change (Green Climate Fund, 2018a).

The GCF requires project proponents to establish a clear climate rationale in proposals, in doing so differentiating the project from business-as-usual development. The GCF clarifies that while adaptation activities and traditional development may use the same “toolbox,” it is essential that the proponents draw causal connections between the proposed activities and context-specific climate risks, impacts, and vulnerabilities (Green Climate Fund, 2018a). As of 2018, the GCF has put forth recommendations to establish a three-step framework to articulate the climate rationale for its projects, which includes:

1. Identifying the anticipated climate changes and their impacts and vulnerabilities on affected populations
2. Clearly articulating how the proposed activities address these impacts and vulnerabilities
3. Explaining how the activities fit into the larger policy framework (Green Climate Fund, 2018a).

Japan International Cooperation Agency (JICA)

The Japan International Cooperation Agency (JICA) defines adaptation as “building resilience against the negative impacts of climate change” (JICA, 2018). Approximately 46.3 per cent of JICA’s climate change finance goes toward adaptation activities, including those which formulate national plans and sectoral strategies, strengthen adaptive capacity against disasters, and promote the creation of a climate-resilient society (JICA, 2018).

In response to the Paris Agreement and the Sustainable Development Goals, JICA’s commitments to climate finance target the following priority issues:

1. Promoting low-carbon, climate-resilient urban development and infrastructure
2. Enhancing comprehensive climate risk management
3. Supporting climate policy and institutional development
4. Enhancing conversation and management of forests and ecosystems (Japan International Cooperation Agency, 2016)

Least Developed Countries Fund (LDCF) / Special Climate Change Fund (SCCF)

Both the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) are managed by the Global Environment Facility (GEF). The GEF was founded in 1992 and since then has provided more than USD 17.9 billion in grants for more than 4,500 projects in 170 countries (Global Environment Facility, 2019). Since 2001, the GEF through both the LDCF and SCCF has provided funding for more than 330 adaptation projects in 130 countries, directly reducing the vulnerability of at least 11 million people (GEF Secretariat, 2018b).

The goal of the GEF’s adaptation efforts is to “strengthen resilience and reduce vulnerability to the adverse impacts of climate change in developing countries, and support their efforts to enhance adaptive capacity” (GEF Secretariat, 2018b). Adaptation activities are defined as those that minimize the adverse effect of climate change in alignment with the Paris Agreement’s goal on adaptation and the UNFCCC (GEF Secretariat, 2011). Whereas the SCCF is accessible by all developing countries, the LDCF is applicable to only the least-developed countries. Target sectors include water, agriculture and food security, health, disaster risk management and prevention, infrastructure, and fragile ecosystems (GEF Secretariat, 2018b). The objectives of both the LDCF and SCCF are as follows:



1. To reduce vulnerability and increase resilience through innovation and technology transfer
2. To mainstream climate change adaptation and resilience
3. To foster enabling conditions for effective and integrated climate change adaptation (GEF Secretariat, 2018b).

The GEF's Programming Strategy on Adaptation states the importance of transformational contributions in its programming (GEF Secretariat, 2018a). Further, it highlights the importance of local context, stipulating that there is no "one-size-fits all" approach to adaptation (GEF Secretariat, 2016).

For both the LDCF and SCCF, the GEF employs the *additional cost principle*, signifying the costs imposed on vulnerable countries to meet their adaptation needs (GEF Secretariat, 2011). As outlined in their 2011 Strategy "Access to LDCF and SCCF resources is justified by identifying and meeting the costs of adaptation defined as *additional costs over business as usual*" (GEF Secretariat, 2011). In this model, activities implemented in the absence of climate change constitute a baseline, and any altered plan of action implemented to adapt to climate change comprise the financed adaptation project. Where no baseline activities are identified, the GEF will fund the full cost of the adaptation project (GEF Secretariat, 2011).

In 2016, the GEF provided a review of their adaptation funding, finding that adaptation projects were typically more successful when they built upon existing initiatives or served as building blocks for initiative to follow, demonstrating the importance of mainstreaming climate change adaptation into broader development efforts (GEF Secretariat, 2016). Further, the review found that project proponents require a robust theory of change, and that projects need flexibility in their implementation (GEF Secretariat, 2016).

Multilateral Development Banks (MDBs)

In 2018, the largest multilateral development banks (MDBs) issued a joint report outlining their strategies, targets and priorities for climate financing. This group of MDBs included the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank Group (IDBG), the Islamic Development Bank (IsDB) and the World Bank Group (WBG). It identified definitions of adaptation, associated funding criteria, and established the basis for tracking adaptation investments. It also articulated that climate financing for the six largest MDBs rose to a seven-year high of USD 35.2 billion in 2017, up 28 per cent from 2016 (ReliefWeb, 2018).

The MDBs state that climate change adaptation should aim to "reduce the risks or vulnerabilities posed by climate change and to increase resilience" (AfDB, et al., 2016). Identification of a project for climate change adaptation finance is assessed according to the following three steps. The project must:

1. Set out the project's context of vulnerability to climate change
2. Make an explicit statement of intent to address this vulnerability
3. Articulate a clear and direct link between vulnerability and the proposed project (AfDB, et al., 2016).

Tracking of investments is incremental or component-based, recognizing that while a broad range of activities may contribute to adaptation and resilience, only those with the explicit aim to do so will be measured. As stated in the report, "the adaptation finance methodology is intended to capture only the value of those activities within the project that are aimed at addressing specific climate vulnerabilities. It is not intended to capture the value of the entire project that is made more climate resilient" (AfDB, et al., 2016).



Nordic Development Fund (NDF)

Established by Denmark, Finland, Norway and Sweden in 1988, the Nordic Development Fund (NDF) created its climate change and development mandate in 2009 (Nordic Development Fund, 2018). The NDF’s adaptation strategy—as part of this mandate—is aligned with climate change mitigation and the Sustainable Development Goals (SDGs), and specifically prioritizes low-income countries with an emphasis on sub-Saharan Africa. Adaptation measures are defined as those that address the “adverse effects of climate change” and include “strengthening traditional coping mechanisms and practices, research and planning as well as the “climate proofing” of sectors, geographic areas and projects” (Nordic Development Fund, 2018).

The NDF’s climate strategy states that adaptation projects must be defined as those that are primarily aimed at responding to the adverse consequences of climate change, and that at least 50 per cent of the total project investments costs should be incurred due to measures helping to adapt or build resilience (Nordic Development Fund, 2016a). The strategy states that this will require disentangling adaptation costs from those that are not climate-related, which requires a thorough understanding of climate change impacts—including the quantification of incremental investment (Nordic Development Fund, 2016a). Climate information should be provided by project proponents or potential co-financiers. In practice, however, the NDF does recognize that due to the overlap between climate change adaptation and development activities, support is often determined on the basis of a judgment determined between NDF and potential co-financiers (Nordic Development Fund, 2016a).

United Kingdom Department for International Development (DFID)

Approximately 8 per cent of aid from the United Kingdom is spent on climate change-related projects (Pearce & Hickman, 2017). Between 2016 and 2021, the UK’s International Climate Finance (ICF) mechanism pledged to invest GBP 5.8 billion in climate change, aiming for an even split between mitigation and adaptation (ICF, 2018). Responsibility for investment in the ICF belongs to the UK’s Department for International Development (DFID), the Department for Business, Energy, and Industrial Strategy (BEIS), and the Department for the Environment, Food and Rural Affairs (DEFRA). Of the three departments, DFID contributes the most to the budget (Pearce & Hickman, 2017). The ICF aims to reduce the costs and damages associated with climate change by:

- Building the resilience of the poorest people and communities
- Working to ensure that the expansion of infrastructure in developing countries is low-carbon and climate-resilient
- Supporting work to halt deforestation and creating new supply chains that are profitable and sustainable (ICF, 2018).

DFID focuses more broadly on resilience in its investments, contributing to humanitarian aid, adaptation and disaster risk management as part of its programming. In tracking its investments, DFID and ICF employ several key performance indicators (KPIs), which include:

- The number of people supported to cope with the effects of climate change
- Improved access to energy
- Greenhouse gas emissions reduced
- Level of installed capacity of clean energy
- The volume of finance mobilized for climate change (DFID, 2018).

Of these KPIs, the first is most directly correlated with climate change adaptation, demonstrating the complexity in providing quantitative measures for adaptation and resilience. Between 2011/12 and 2017/18, ICF programs have supported 47 million people to cope with the effects of climate change, with an expected goal of 79 million into 2021 (DFID, 2018).



United States Agency for International Development (USAID)

The United States Agency for International Development's (USAID) adaptation investments are part of its Climate Change and Development Strategy, which aims to “enable countries to accelerate their transition to climate-resilient low emission sustainable economic development” (USAID, 2012). Its 2012-2015 strategy listed the following as its strategic objectives:

1. Accelerate the transition to low emission development through investments in clean energy and sustainable landscapes
2. Increase the resilience of people, places, and livelihoods through investments in adaptation
3. Strengthen development outcomes by integrating climate change in USAID programming, learning, policy dialogues and operations (USAID, 2012).

Its stated objective for adaptation is to “help societies anticipate and incorporate plans for responding to potential climate change impacts into economic and political systems to ensure a more secure future” (USAID, 2012). As such, USAID takes an integrated approach to adaptation, explicitly prioritizing and mainstreaming with ongoing mitigation and development efforts. USAID states in their strategy that effective adaptation will require new economic and social development pathways. It will achieve Objective 2, listed above, through the following intermediate results:

- Improving access to science and analysis for decision making
- Establishing effective governance systems
- Identifying and taking actions that increase climate resilience (USAID, 2012).

©2019 The International Institute for Sustainable Development
Published by the International Institute for Sustainable Development.

Head Office

111 Lombard Avenue, Suite 325
Winnipeg, Manitoba
Canada R3B 0T4

Tel: +1 (204) 958-7700

Website: www.iisd.org

Twitter: @IISD_news



iisd.org