



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Special Climate Change Fund (SCCF)

Serving the Adaptation Needs
of Small Island Developing States
and
Enhancing Technology Transfer, Private Sector
Engagement and Innovation for All
(2022-2026)

Introduction

The Special Climate Change Fund (SCCF), established by the UNFCCC in 2001, is managed by the Global Environment Facility (GEF). To date, its portfolio of 94 projects has been supported by \$366 million in grant resources. It is delivering adaptation benefits to nearly 9 million vulnerable people in developing countries, building resilience through improved management of 5 million hectares of land, and mainstreaming climate resilience in 462 policies and plans.

Extensive consultations with stakeholders guided development of a new strategy¹ for 2022-2026. The strategy builds on existing strengths, while filling two major gaps in the adaptation finance landscape. Its two funding windows focus on supporting the adaptation needs of SIDS (window A) and strengthening technology transfer, innovation and private sector engagement (window B).

Window A – Supporting the adaptation needs of SIDS: Leave no SIDS behind

SIDS are among the world's most vulnerable countries to adverse impacts of climate change. Salt-water intrusion in freshwater aquifers, sea-level rise, coastal erosion, high exposure to tropical storms, geographic isolation, non-diversified economies, and low capacity render them uniquely at risk. Unlike Least Developed Countries, which can draw on the Least Developed Countries Fund (LDCF), there is no dedicated multilateral adaptation grant support for SIDS. Consequently, SIDS have had to compete with all developing countries to access adaptation finance.

A study in April 2022 of major international adaptation funds² revealed disparities in SIDS' access to adaptation finance. Their capacity challenges persist, likely impacting project performances and outcomes. Dedicated international adaptation support for SIDS is a clear need and major gap.

The SCCF seeks to fill this gap by dedicating its "window A" to serve the adaptation needs of all non-LDC SIDS. It would provide support for priorities such as food security and fisheries; integrated water resources management; climate-resilient infrastructure; nature-based solutions; early warning systems and disaster risk reduction; and climate-resilient tourism.

The strategy includes per country allocations for 2022-2026 ranging from \$3 million to \$6.5 million, depending on the level of donor contributions.

The GEF supports adaptation in LDC SIDS through the LDCF, from which they may access up to \$20 million under the per-country access cap during 2022-2026.

Countries may coordinate their programming under the SCCF with programming of their GEF STAR allocations, projects under the GEF Trust Fund's Blue and Green Islands Integrated Program, and with the Green Climate Fund.

¹ The strategy may be accessed here: <https://tinyurl.com/bdha56kc>

² The study examined adaptation grant finance being provided to SIDS through the Adaptation Fund, Green Climate Fund, Least Developed Countries Fund, Special Climate Change Fund, and Pilot Program for Climate Resilience. Details may be found in Annex V of the GEF's adaptation strategy for 2022-2026.

Window B – Strengthening technology transfer, innovation and private sector engagement

Meeting the adaptation needs of today and the future requires innovative solutions and technologies, as well as finance at scale. This dedicated window supports innovative technologies and finance, and actions to engage the private sector in adaptation. This is aligned with the GEF's unique value proposition to take risks, demonstrate proof of concept, deliver agile solutions, and support blended finance.

Entry points include supporting technology transfer, innovation, and deployment; enabling the conditions for private sector action; catalyzing private sector investment through risk sharing; incubating and

accelerating micro, small, and medium enterprises (MSMEs); and catalyzing inclusive microfinance for smallholder farmers and micro enterprises to invest in practical solutions for localized adaptation action at scale. Window B is also providing support for the GEF's Challenge Program for Adaptation Innovation, a unique program that solicits innovative adaptation solutions from a diverse array of non-traditional partners for the GEF.

This SCCF window is open for all developing countries to access, and will also support regional and global initiatives, including South-South learning and exchange.

The financial scenarios for SCCF window B range from \$103.5 million to \$198.5 million for 2022-2026, depending on donor funding.



Eastern Caribbean: Climate Change Adaptation in the Fisheries Sector (FAO; SCCF grant: \$6.14 million)

This project is supporting regional, national, and local-level climate change vulnerability assessments in the fisheries sector in the Eastern Caribbean region (St. Vincent and Grenadines, Grenada, Dominica, St. Lucia, Trinidad and Tobago, Antigua and Barbuda, St. Kitts and Nevis). Countries are exploring models that describe fisheries availability and accessibility; strengthening the information and communications technology of 4,500 fisherfolk, thereby enhancing their livelihoods; and engaging in South-South exchange programs on fisheries co-management and adaptation technology. The project is rehabilitating existing aquaculture centers and establishing new ones, while strengthening the capacity of aqua-culturalists on climate change adaptation measures and adaptive technologies. It is also supporting the mainstreaming of climate change adaptation considerations in multilevel fisheries governance, while enhancing the capacities of eight institutions on adaptation.

Using systemic approaches and simulation to scale nature-based infrastructure for climate adaptation (UNIDO; SCCF grant: \$2 million)

In collaboration with the MAVA Foundation, the International Institute for Sustainable Development, and the United Nations Industrial Development Organization, the SCCF is working toward demonstrating the monetary value and business case of nature-based infrastructure (NBI) to governments, investors, and project developers for scaling up investments. It has established an NBI Global Resource Center which supports an innovative model for valuation of adaptation and socioeconomic benefits of NBI projects, which combines robust science, systems thinking, and creative financial valuation. The Center is working with a diverse set of partners to build a better and mutual understanding of adaptation performance of NBI projects, create a new online database for future NBI valuations, and build capacity of stakeholders through knowledge and training. The project is expected to improve resilience of 115,000 people and bring more than 21,000 hectares of land under improved climate resilient management through nature-based solutions.



The Global Environment Facility (GEF) is a multilateral fund dedicated to confronting biodiversity loss, climate change, pollution, and strains on land and ocean health. Its grants, blended financing, and policy support helps developing countries address their biggest environmental priorities and adhere to international environmental conventions. The GEF connects 185 member governments with sustainability leaders across civil society, Indigenous Peoples, and the private sector, and works closely with other environmental financiers for efficiency and impact. Over the past three decades, the GEF has provided more than \$22 billion in grants and blended finance and mobilized \$120 billion in co-financing for more than 5,000 national and regional projects.

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