



# 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 100 projects has been supported by \$393 million in grant resources. It is delivering adaptation benefits to 9 million vulnerable people in developing countries, building resilience through improved management of over 5 million hectares of land and 1.8 million hectares of coastal and marine area, as well as mainstreaming climate resilience in over 530 policies and plans.

The GEF Adaptation strategy<sup>1</sup> for 2022-2026 builds on existing strengths while introducing innovations to address gaps in the international adaptation finance landscape through its focus on support for the adaptation needs of Small Island Developing States (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), prior to the focusing of SCCF Window A on SIDS, there was no dedicated multilateral adaptation grant support for non-LDC small islands.

SCCF Window A provides support for coastal and island resilience 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.

## **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.

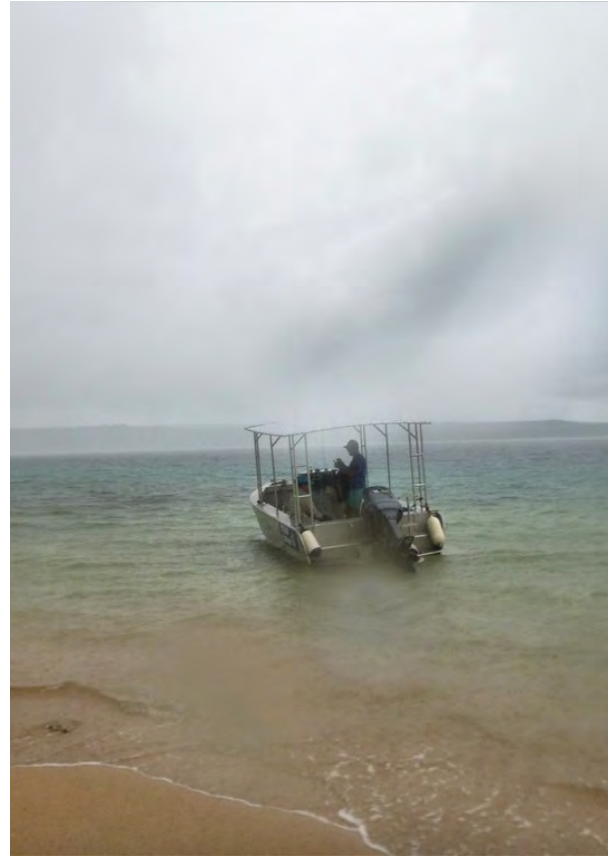
The financial scenarios for SCCF window B range from \$103.5 million to \$198.5 million for 2022-2026, depending on donor funding.

1. The strategy may be accessed here: <https://www.thegef.org/council-meeting-documents/gef-ldcf-sccf-32-04-rev-01>



### **Supporting Climate Resilient Infrastructure in Tonga (World Bank, SCCF grant: \$6 million)**

This project is delivering a suite of climate resilience investment and capacity support for Tonga as well as other Pacific SIDS. In Tonga, it is supporting the retrofitting of key public infrastructure, including schools, to be able to withstand severe coastal storms, while also strengthening school buildings to serve as emergency shelters. A total of 9,026 schoolchildren have benefitted from the physical works across 27 schools. The project has also set up and operationalized two Emergency Operation Centers in Ha'apai and Vava'u, and is supporting a new multi-hazard early warning center in Nuku'alofa that will deliver actionable information to the public and to emergency services. Other project activities include multi-sectoral planning processes to integrate climate resilience in development, to be scaled across the Pacific; a multi-sectoral resilience investment plan for Tonga; capacity to oversee and administer disaster risk financing instruments; and enhanced safety-at-sea measures for fisherfolk. The project is expected to directly benefit 60,000 people, and is being cofinanced with over \$40 million from the World Bank.



**Acceleration of Financial Technology Enabled Climate Resilience Solutions (UNIDO with BFA Global: GEF Grant: \$1 million - \$0.6m SCCF and \$0.40m LDCF)**

This project is accelerating financial technology-enabled climate resilience solutions across target markets in Africa. With SCCF support and together with the 50+ organizations, BFA Global has launched an ecosystem for innovation to create opportunities and solutions at the intersection of finance and climate action, centered on vulnerable communities in emerging African markets. Building on a learn-by-doing approach developed by the Catalyst Fund, this project is accelerating startups to refine their products and scale them. This is being achieved by identifying and analysing fintech startups that are enhancing climate resilience; accelerating new startups; developing investment thesis briefs; building talent pipelines; and sharing learning and insight. This project is that it will strengthen climate change adaptation as an opportunity for the fintech ecosystem by accelerating solutions that enable vulnerable communities to strengthen their economic resilience and growth. With \$1 million in SCCF and LDCF finance, this project is expected to catalyze \$10.7 million in co-finance from private sector partners, as well as directly benefit 20 thousand

people, half of whom are women. The Catalyst Fund plans to continue to grow the ecosystem to boost collective action towards providing resilient solutions to 4 billion people by 2030.

This is one of 11 projects supported by the SCCF through the Challenge Program for Adaptation Innovation, which tests and validates aims to test and validate scalable and bankable investment models and technologies. The Challenge Program for Adaptation Innovation has been successful in partner with leading climate adaptation innovators that the GEF has not be able to achieve through traditional programming modalities. Subject to available funding for the SCCF, the Challenge Program for Adaptation Innovation is foreseen to expand significantly in the GEF-8 period.

Other projects being supported by the SCCF through the Challenge Program for Adaptation Innovation include insuring natural assets for local community resilience in Melanesia with Willis Towers Watson; strengthening climate resilience of supply chains in Central America with Heifer International; and certifying inclusive microfinance solutions to help stallholder farmers transition to climate resilient practices with BNP Paribas and Fundation Grameen Credit Agricole.



The Global Environment Facility (GEF) is a family of funds 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. Over the past three decades, the GEF has provided more than \$24 billion and mobilized \$138 billion in co-financing for 5,700 national and regional projects.