FINANCING ADAPTATION TO CLIMATE CHANGE AT THE GLOBAL ENVIRONMENT FACILITY

The GEF supports adaptation to climate change in developing countries through the Least Developed Countries Fund (LDCF), which supports urgent, medium and long-term adaptation needs in least developed countries (LDCs), and the Special Climate Change Fund (SCCF), accessible by all developing countries. Established in 2001 at COP 7, the two funds also support implementation of the Paris Agreement.

- Nearly $1.7 billion in grant funding for 360 adaptation projects in 117 countries*
- LDCF and SCCF combined delivering direct benefits to over 28 million people
- Bringing nearly 7 million hectares of land under climate-resilient management
- Supporting adaptation mainstreaming in 368 sub-national plans and processes and 2030 sub-national plans and processes

*as of June 2019

NEW THEMES
- Adaptation technology incubators & accelerators
- Climate risk and security
- Enhanced private sector engagement
- Challenge Program for adaptation innovation
The Least Developed Countries Fund exclusively targets the adaptation needs of least developed countries (LDCs). The LDCF has financed 282 projects with more than 1.2 billion in grants, directly benefiting more than 21 million people. It supports:

- **Adaptation planning** to address resilience needs at various timescales;
- **Resilience-building investments** in the diverse landscapes and sectors that constitute priorities for today’s 47 LDCs; and
- **Capacity building** in-country, to better understand risks, vulnerability and adaptation to climate change, as well as to better access climate finance and respond to UNFCCC obligations.

The GEF’s 2018-2022 Adaptation Strategy supports innovation, adaptation mainstreaming, and innovative partnerships. The strategy introduced a new way of doing business through a set of policy improvements aimed at increasing the efficiency and effectiveness of the fund.

The LDCF has a track record of leaving no one behind, with each and every LDC having received adaptation support from the fund.

**Since the start of GEF-7 in 2018, the LDCF Council has approved 17 new LDCF projects totaling $145 million in grant resources in 20 countries:**

- Angola
- Bangladesh
- Cambodia
- Chad
- Ethiopia
- Guinea-Bissau
- Kiribati
- Lao PDR
- Mauritania
- Mozambique
- Rwanda
- Solomon Islands
- Sudan
- The Gambia
- Timor Leste
- Togo
- Tuvalu
- Uganda
- Vanuatu
- Zambia

### MAKING A DIFFERENCE IN PACIFIC SMALL ISLAND DEVELOPING STATES (SIDS)

**The project ‘Climate-Resilient Urban Development in the Pacific’** ($17.5 million grant, Asian Development Bank) will address climate change risks to urban services, particularly water and sanitation, in the urban centers of four Pacific LDC SIDS: South Tarawa (Kiribati), Honiara (Solomon Islands), Funafuti (Tuvalu), and Port Villa (Vanuatu). Pacific SIDS are among the world’s most vulnerable countries to adverse impacts of climate change. Urban areas tend to be on the coast and thus particularly exposed to climatic hazards, with population growth hindering traditional coping mechanisms and contributing new stresses—socio-economic and environmental—that increase vulnerability. The program will focus on institutional and investment activities that will deliver direct adaptation benefits to 250,010 people, train 400 people about climate risks and adaptation options, and support adaptation mainstreaming in three development policies and plans. This project was approved in June 2019.

### SUPPORTING FARMING COMMUNITIES IN CAMBODIA

**The project Promoting Climate-Resilient Livelihoods in Rice-Based Communities in the Tonle Sap Region** ($9.7 million grant, FAO), will improve the climate resilience of rice growing communities through an ecosystem-based, market-driven approach. Cambodia is highly dependent on rice cropping, largely driven by smallholders, who are constrained by rainfall availability and affordable rice varieties. The proposed project will boost climate resilience in six provinces. The project will provide direct adaptation benefits to 170,200 people, train 25,900 people about climate risks and adaptation options, increase the climate resilient management of 67,309 ha of land, and seek to mainstream adaptation in relevant national and provincial development policies and plans. Through the Sustainable Rice Platform, the project also has the potential to participate in emerging, innovative partnerships with the private sector. This project was approved in June 2019.
The GEF is committed to work with the global community to help restore the balance between Earth systems and humans. The GEF is supporting countries to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change in line with the goals of the Paris Agreement, by mainstreaming resilience and adaptation to catalyze transformation of key economic systems.

A critical aspect of the GEF’s 2018-2022 adaptation strategy is to ensure complementarity with other finance sources, so that countries can undertake resilience programming in an effective and harmonized way. The ‘coordinated engagement’ pilot with the Green Climate Fund (GCF) encourages joint GEF-GCF programming in countries. The two funds are strengthening coordination on support for NAPs and harmonized investment support.

- Expanding catalytic grant and non-grant investments: Supports pilot investments to test new technologies, develop entrepreneurs through incubators, seed funding and venture capital approaches
- Support enabling environments for the private sector to act as an agent for market transformation: focus on fostering enabling environments for private sector engagement; enhancing risk pooling and other insurance solutions, leveraging partnerships, exploring strategic linkages with private sector companies, and mobilizing the private sector as an agent for adaptation by supporting the mainstreaming of climate change adaptation and resilience considerations into business models and risk management capabilities.

Challenge program for adaptation innovation to harness the potential of private sector actors launched

The GEF launched a $10 million Challenge Program which aims to contribute to the global goal on adaptation for the Paris Agreement by supporting initiatives to increase resilience to the adverse impacts of climate change in developing countries. The Program will identify, test, and highlight innovative adaptation approaches with potential to be replicated and scaled up; while promoting continuous innovation and learning with regard to private adaptation solutions. The chosen initiatives are expected to be announced at COP25.

“...The LDCF has been vital in laying the groundwork for policy and investment action for climate change adaptation in LDCs, and in enhancing the capacity of LDCs to build resilience to climate risk.

The fund supports adaptation priorities in the LDCs in a country-driven manner. Its renewed focus on adaptation innovation, mainstreaming climate resilience, and partnership is important for the LDCs. The LDC Group looks forward to continuing collaboration with the LDCF, and to scale up adaptation action in the most vulnerable countries in the world.”
The Special Climate Change Fund (SCCF) is accessible by all developing countries. It has an enhanced focus on technology transfer, innovation, and private sector engagement, as well as effective scale-up. Over 2018–2022, the SCCF will have two modes of access:

- **Challenge Window**, aimed at supporting and demonstrating potentially scalable, bankable or otherwise fundable investment approaches, business models, partnerships and technologies, as well as catalytic measures to enhance climate security.

- **Incentive for Mainstreaming Adaptation and Resilience**, which will provide support in cases where significant development initiatives are underway, e.g., in sustainable cities, food security projects, and coastal development, where the SCCF adaptation grant can support adaptation mainstreaming measures. Special consideration may be given to highly vulnerable non-LDCs, particularly SIDS, as well as initiatives targeting women.

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**CATALYZING PRIVATE INVESTMENT TO SUPPORT RESILIENCE**

($1 MILLION SCCF GRANT; CONSERVATION INTERNATIONAL)

Together with partners including the Lightsmith Group, Nordic Development Fund and Conservation International, the SCCF helped contribute to an equity fund titled *Climate Resilience and Adaptation Finance and Technology Transfer Facility (CRAFT)*. It will invest in companies that provide either “resilience intelligence”, such as data analytics, modeling, and forecasting, or “resilience solutions” including products and services that address climate risks in areas like water, agriculture and energy. Envisaged areas for investment range from climate-smart supply chain analytics software and drought-tolerant tree crops to coastal protection and disaster recovery.

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The Global Environment Facility was established on the eve of the 1992 Rio Earth Summit to help tackle our planet’s most pressing environmental problems. Since then, the GEF has provided **over $18.1 billion in grants** and **mobilized an additional $94.2 billion in co-financing** for more than **4,500 projects in 170 countries**. Today, the GEF is an international partnership of 183 countries, international institutions, civil society organizations and the private sector that addresses global environmental issues.