



ADAPTATION FUND

Adaptation Fund Study Shows the Value of Global Actions to Enhance Country Ownership over Climate Finance

Increased Coordination, Financial Resources, Coherent and Systematic Approaches on Readiness and Capacity Building Will be Beneficial for Further Support to Address Gaps

Washington, D.C. (October 19, 2020) – A new Adaptation Fund (AF) study highlights the [AF's Climate Finance Readiness Programme](#), which has provided valuable and growing support, both directly and indirectly, to the most vulnerable countries to effectively receive and manage adaptation finance. The publication, [Study on Readiness and Capacity Building for Direct Access to Adaptation Finance](#), also finds that there has been good progress in enhancing country ownership over climate finance and building the capacity of countries to access and manage financial resources across the climate finance landscape.

As pioneer of both [Direct Access](#) and [Enhanced Direct Access](#), the AF has successfully enabled these modalities for its 32 accredited [National Implementing Entities \(NIEs\)](#) to date, representing over half of the 51 total entities accredited by the Fund. Further, half of the Fund's NIEs are in least developed countries or small island developing states, reflecting its focus on activities to open doors for the most vulnerable to climate finance.

The study also shows that greater financial resources and more coordinated approaches among climate funds to provide readiness and capacity building support would be beneficial to address challenges in climate finance.

“Over the years the Adaptation Fund pioneered Direct Access, and its Readiness Programme has been the engine of building national adaptation capacity and ownership for the most vulnerable countries. Developing countries will benefit further from a deliberate and collaborative effort among global climate funds to ensure coherence of climate finance support, which has been expanding as demand has continued to rise,” said AF Board Chair **Mr. Ibila Djibril**.

Based on the implementation plan developed for the [Fund's Medium-Term Strategy \(MTS\)](#), the Fund's Readiness Programme provides [financial](#) and non-financial support to assist developing countries obtain accreditation, undertake project development, advance knowledge management, and deliver technical assistance and south-south cooperation grants, workshops, country NIE exchanges, and related activities. It has further evolved to help coordinate readiness activities with partners, such as through a [Community of Practice of Direct Access Entities](#).

Recognizing its efficient and effective implementation, the Fund's readiness and capacity building support has been perceived as crucial by the global community, the study notes.

"The analysis proves that the Adaptation Fund's leadership and innovative actions in increasing country ownership and empowering the most vulnerable communities have played a vital role in helping countries build resilience and shaping the global climate change adaptation agenda," said AF Manager **Mr. Mikko Ollikainen**.

"As the report shows, the Adaptation Fund's Readiness Programme is relevant and is significantly contributing to successful access and programming of climate finance for developing countries. Continued and increased readiness and capacity building support is critical to bridge the adaptation gap and to catalyze much needed finance for adaptation from multiple sources," said AF's Readiness Program Officer **Mr. Farayi Madziwa**.

The study also examines where readiness and capacity building for Direct Access are positioned within the climate finance architecture and how they are provided by climate funds under the United Nations Framework Convention on Climate Change (UNFCCC). By reviewing the experience of the AF, Green Climate Fund (GCF), Global Environment Facility (GEF), and other funds, the study provides analysis of current readiness and capacity building programmes and draws lessons learned to make recommendations.

"This report contributes to an increased understanding of how readiness and capacity building for Direct Access are understood globally and offers a set of recommendations of ways to further improve and increase support for implementing entities seeking to access climate finance," said AF's Knowledge Management Officer **Ms. Cristina Dengel**, who coordinated the study as part of the AF's work in its [Learning and Sharing](#) pillar.

Significant efforts have been made by development agencies and global climate funds to increase ownership of climate finance and develop capacities to enable countries to access resources from funds through Direct Access, the study found. While AF's Readiness Programme was launched in 2014, as demand for Direct Access has increased, more readiness support programmes were launched by other climate funds to contribute to building the capacity of developing countries to plan, access, deliver, and monitor climate finance. This support has been provided in the form of technical assistance and capacity building programmes, coordinated knowledge dissemination efforts, and the Community of Practice of Direct Access Entities, which is a community established and driven by AF NIEs and GCF direct access entities with joint support from the AF, GCF, and like-minded organizations such as the African Development Bank and other funders.

Yet, the study points out that with limited financial resources, only a fraction of the world's countries, institutions, and organizations are benefitting from readiness and capacity building support. It also suggests a more intentional and shared approach for transparent, coherent, and complementary support among the climate funds, and effective deployment and use of resources are needed to further advance action on climate change adaptation. Joint or complementary support from the climate funds in navigating the landscape of available readiness programmes and developing a tailored readiness strategy would also be beneficial for countries to seek timely and appropriately sequenced support.

To enhance the delivery of readiness and capacity building support through the AF's Readiness Programme, the study recommends:

- Provision of more [Readiness Grants](#) of all types;
- Involvement of a greater number of civil society organizations;
- More intentional and targeted dissemination of AF knowledge products;
- Greater coherence and complementarity at the international level; and
- Benefiting from independent evaluations to measure success and learn lessons, such as evaluating the AF Readiness Programme in the context of its Medium-Term Strategy.

This study was undertaken in collaboration with Universalia under AF's Learning and Sharing pillar of its MTS.

Please also listen to a new podcast on AF's climate finance readiness and capacity building programme [here](#), which details its growing activities and also how it is adapting in the time of the COVID-19 pandemic.

ABOUT the ADAPTATION FUND

Since 2010, the Adaptation Fund has committed about US\$ 745 million for climate change adaptation and resilience projects and programmes, including 105 concrete localized adaptation projects in the most vulnerable communities of developing countries around the world with 9.3 million direct beneficiaries. It also pioneered Direct Access, empowering countries to access funding and develop projects directly through accredited national implementing entities.

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