Adaptation Fund Raises Nearly US$ 116 Million in New Pledges for Adaptation Action in Most Vulnerable Countries

Washington, D.C. (December 16, 2020) – Recognizing the Adaptation Fund’s tangible and effective adaptation actions on the ground for the most vulnerable and its growing portfolio of work, several contributor governments came forward with new pledges to the Fund totaling nearly US$ 116 million.

Coinciding with the 5th Anniversary of the Paris Agreement and Climate Ambition Summit 2020, pledges and contributions to the Fund included those from Germany (EUR 50 million), Italy (EUR 30 million) and Sweden (US$ 15.2 million, a quarter of its four-year pledge made last year), as well as Belgium’s Walloon Regional Government (EUR 3.8 million) and Brussels-Capital Regional Government (EUR 185,000) -- totaling an equivalent of nearly US$ 116 million.

The total represents a remarkable effort during a challenging economic year ravaged by the COVID-19 pandemic. Although it fell just shy of the Fund’s US$ 120 million resource mobilization target for 2020, it is possible more new pledges may follow.

The Fund’s Board recently raised its resource mobilization target by 30 percent to account for the continuing urgency of adaptation action, record demand for projects it continues to receive, its expanding actions under its strategic pillars of Action, Innovation and Learning and Sharing, and an approximate US$ 280 million active project pipeline.

The Fund held a virtual Contributor Dialogue for Ambition in Adaptation Finance on Dec. 14 (see video recording here), where Ministers, other high-level contributor and recipient government officials, national implementing entities and civil society gathered to recognize the Fund’s crucial actions in continuing to deliver high quality concrete adaptation projects on the ground, building country ownership through its pioneering Direct Access modality, and expanding and adapting its work across all areas for the most vulnerable communities despite the challenges faced from the COVID-19 pandemic this year. They also stressed the need to accelerate adaptation finance to meet the tremendous urgency of climate change.

In announcing Germany’s new EUR 50 million pledge to the Fund, Mr. Jochen Flasbarth, State Secretary for Germany’s Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, said developing countries have been hit incomparably harder by COVID-19 amid increased climate change vulnerabilities and already weakened health systems. As the Fund’s largest contributor, he said Germany is grateful for the Fund’s tremendous support, vision and inspiration. “Already before the COVID-19 crisis, the Adaptation Fund was well-placed to fighting
the roots of zoonotic diseases such as COVID-19 through making communities more resilient to external shocks by project interventions that reduce water and food dependencies and increase disaster risk preparedness,” he said. “This support is invested into an institution with an impressive track record on adaptation knowledge gained from 105 projects (now 115) in 102 countries, often through work on the ground using existing locally led adaptation practices and indigenous wisdom. The contribution will also help the Fund to continue implementing the medium-term strategy which focuses on supporting action on the ground, innovating adaptation finance interventions and practices, as well as scaling up viable solutions in collaboration with the Green Climate Fund. This Fund is formally on equal footing with the Global Environment Facility and Green Climate Fund under the Paris Agreement. It has its own distinct features and specialization, and is more relevant than ever to fighting global challenges, respecting biodiversity and integrity of human interaction with nature and its planetary boundaries.”

Speaking of Italy’s new EUR 30 million contribution to the Fund which has grown significantly over its previous contributions to the Fund, Mr. Angiolo Martinelli, Director for International Environment Cooperation in Italy’s Ministry of Environment, said, “We recognize the important work the Adaptation Fund plays to support the most vulnerable communities by financing effective adaptation and resilience projects which helps them address the worst effects of climate change. The Adaptation Fund plays a particularly important role as it fosters a strong system of Direct Access to resources while ensuring monitoring and transparency of approved projects. We find that these direct innovative relationships between the Fund and beneficiary community are of extreme value, [and] increase ownership of beneficiary countries.”

Mr. Per Olsson Fridh, State Secretary to the Minister for International Development Cooperation of Sweden, which is one of the Fund’s most consistent contributors and the first to announce a multi-year pledge last year, said taking increased action in adaptation is needed to build back faster and greener. “Those most exposed to climate change are already among the most vulnerable,” he said. “In order to leave no one behind we need to accelerate action along the whole scale of climate-related measures, and encourage flexible and multi-year funding. We believe the Adaptation Fund is very well-positioned. It is performing well. It’s been innovative in its support and requests from and appreciation by developing countries. It is also important in that it supports developing countries’ own capacity building through its Direct Access modality.”

H.E. Mr. Alain Maron, Minister for Climate Transition, Environment, Energy and Participatory Democracy of the Brussels-Capital Region in Belgium, affirmed the Region’s continued support to the Fund with a new EUR 185,000 pledge, as well as a new EUR 3.8 million pledge from Belgium’s Walloon Regional Government on behalf of H.E. Mr. Philippe Henry, Minister for Climate, Infrastructures, Energy and Mobility of the Walloon Region. He said climate change is affecting the most vulnerable the hardest and the COVID-19 health crisis has worsened the situation in many countries. “The support of the Adaptation Fund is essential. I have been happy to learn that the Fund has deployed concrete actions to help with climate and health resilience of local communities and has even supported more gender equality in the projects,” Mr. Maron said. “The COVID-19 pandemic showed us strong interactions between our health and preservation of our ecosystem. The need to support adaptation actions is essential. I’m impressed to hear there are so many projects in the pipeline. The innovative Direct Access of funding as well as readiness programs also played a key success factor, and the Board decision to increase its resource mobilization target by a third was the right decision to make in order to step up [actions].”

Mr. Ibilà Djibril, Adaptation Fund Board Chair, expressed his sincere thanks for all of the new pledges, as well as previous contributions. “We are very grateful to all of the contributors of the Adaptation Fund. Rest assured, it is money well-spent and will help us reach more vulnerable
communities and countries with urgently needed concrete adaptation actions,” he said. “The Adaptation Fund continues to grow, with 115 projects in more than 100 countries serving 27 million total beneficiaries. Many projects are creating scalable models, while building country ownership through Direct Access. We also see many projects adapting directly to help vulnerable communities build resilience amid the COVID-19 pandemic, both to climate change, as well as health, environmental and economic risks.”

Mr. Ovais Sarmad, UNFCCC Deputy Executive Secretary, said the Fund has played a key role in building trust. “The Adaptation Fund plays an extremely important role for addressing climate change challenges for especially vulnerable countries around the world. Innovative modalities like Direct Access have empowered many countries and societies around the world which has allowed us to build trust and momentum, and the Fund has delivered much needed assistance through the multilateral system,” he said. “It is increasingly clear that these efforts must be strengthened, as the need for ambition, adaptation action and support continues to grow. The Fund has additionally continued to advance its work through extraordinary circumstances this year. I’d like to commend the Fund in rising to the challenge of progressing in all areas of activities for the vulnerable communities to build resilience to climate change, alongside the unprecedented exigencies of the pandemic that we are all living through.”

Mr. Mikko Ollikainen, Manager of the Adaptation Fund, said following the Dialogue that the increased funding will be pivotal as the Fund continues to receive record demand for projects. “In addition to our regular country projects, we have launched novel funding windows to offer new grants to countries to scale up effective projects, foster innovation among diverse stakeholders, and share knowledge to advance adaptation practices on the ground, as well as foster enhanced direct access to further empower local stakeholders, and we hope these will enable transformational impacts to meet the speed and scale of climate change,” he said.

**Contributors and Beneficiaries Praise Fund’s Actions**

The European Commission, Spain and Quebec were among other recent contributors to the Fund to recognize the importance of the Fund’s work during the Dialogue.

Ms. Carla Montesi, Director for Planet and Prosperity and Director General for International Cooperation and Development of the European Commission, said the results of the Climate Ambition Summit showed that climate ambition is possible even in a difficult year, and the European Union is investing significantly in climate action and adaptation. “Providing sufficient funding to adaptation action is essential,” she said. “The EU is aware of the concern of developing countries who report about funding shortages. We are continuously trying to address this concern.”

“I would like to take this opportunity to highlight all of the effort that the Adaptation Fund has made in this difficult year and that has otherwise continued with the Fund’s activity and mandate,” said Ms. Valvanera Ulargui, General Director at the Spanish Office for Climate Change. “It’s really amazing. The Adaptation Fund has proven to be a success, a clear example of an innovative instrument, a well-designed instrument, a collaborative instrument, that even in this difficult point in time has been able to deliver with very good numbers in projects and resources.”

Mr. Jean Lemire, Climate Envoy for Quebec, which is among a growing number of regional government contributors to the Fund, said he sees contributions provide real benefits to populations that need to build climate resilience. “By contributing to the Adaptation Fund, we wanted to expand our action on adaptation finance with an organization that serves the Paris
Agreement and that is recognized for its ability to carry out effective and tangible work on the ground for the most vulnerable countries,” he said.

The Contributor Dialogue was moderated by high-level representatives from the Presidencies of COP26 and COP25: Mr. Archie Young, UK’s Lead Negotiator of COP 26 and Julio Cordano, Chile’s Head of Delegation and Head of Climate Change in the Ministry of Foreign Affairs. They reiterated the Fund’s impressive track record and how it is also expanding by offering additional funding windows for vulnerable countries. They stressed the success of the Climate Ambition Summit and Race to Resilience campaign in the run-up to the Dialogue, as well as the important roles local and regional governments play along with national governments in accelerating ambition.

In recorded remarks, H.E. Ms. Carolina Schmidt, COP25 President and Chile’s Minister of Environment, stressed the tremendous global adaptation needs the world is facing and that the Fund is a key component of the Paris Agreement architecture. “The Adaptation Fund has proven to be a leading example of an efficient mechanism that can provide funding for good projects that make a difference at the local level,” she said.

H.E. Ms. Anne-Marie Trevelyan, COP26 Adaptation & Resilience Champion of the UK, said the Fund has led the way in working with national implementing entities (NIEs) to build capacities and country ownership through Direct Access.

Mr. Sonam Phuntsho Wangdi, of Bhutan and Chair of the Least Developed Countries (LDCs) Group, said, “The Adaptation Fund is very close to the heart of LDCs.” With the Fund’s focus on the most vulnerable communities, he added that 30 of 46 LDCs have accessed resources from the Fund to date and a third of the Fund’s accredited NIEs are in LDCs.

The Dialogue also included presentations of adaptation actions on the ground from Ms. Marianella Feoli, Executive Director of the Fund’s NIE in Costa Rica, Fundecooparación para el Desarrollo Sostenible; Ms. Elin Lorimer, Project Manager of Indigo Development and Change in South Africa as a member of the Adaptation Fund NGO Network; and Ms. Hindou Oumarou Ibrahim, Coordinator of the Association of Peul Women and Autochthonous Peoples of Chad as a representative of indigenous communities.

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.

Communications: Matthew Pueschel, mpueschel@adaptation-fund.org or +1-202-473-6743