

New Adaptation Fund Board Chair Envisions Continued Growth and Innovation to Meet Demands of Future

Broman Calls Relationship between Climate Change and Human Security
Pivotal

Washington, D.C. (*April 6, 2021*) -- The 36th Adaptation Fund Board meeting being held virtually April 6-8 began by featuring the annual transition of leadership, with new Chair Mr. **Mattias Broman** of Sweden assuming the helm from Mr. **Ibila Djibril** of Benin.

Broman served as Vice-Chair for the last year, and represents <u>Annex I Parties</u> on the Board. Mr. **Albara Tawfiq** of Saudi Arabia takes over Broman's spot as the new Vice Chair and has been representing Asia-Pacific countries on the Board.

The Board's Chair and Vice-Chair positions rotate annually between developed and developing country representatives.

Broman, who has been on the Board since March 2019, brings a wealth of experience in national and international climate finance and diplomacy to the Chair seat.

He has served for the last 10 years as Deputy Director of Sweden's Ministry of Foreign Affairs (MFA) and Ministry of Finance, currently working in the Climate Division of MFA in Stockholm. He is responsible for climate and security including the UN Climate Security Mechanism, has assisted the Swedish Minister for International Development Cooperation in his role as Board Member of the Global Center on Adaptation, and worked for four years with the Ministry's **Africa Department** coordinating climate and environmental issues, diplomacy, trade and cooperation in development. He further has three years' experience in Sustainable Business and related climate issues as, among other roles, Investment Manager for Sweden's Development Finance Institution.

Broman previously served in international assignments as Counsellor for the Embassy of Sweden in Rome, Italy, and as Second Secretary for the Embassy of Sweden in The Hague, Netherlands working on trade, energy, climate and the environment. He holds a Master of Laws from Uppsala University in Sweden and a Master of European Studies from the College of Europe in Belgium.

The Adaptation Fund Board Secretariat (AF) sat down virtually with Mr. Broman in March to ask him his thoughts on the Fund's progress to date and his vision going forward.

[AF:] It has been a challenging year with vulnerable countries facing the twin challenges of climate change and the COVID-19 pandemic. The Adaptation Fund has adapted well since early in the pandemic to hold virtual Board meetings, project visits and provide project flexibility while continuing to approve projects and expand offerings through new grant

funding windows, and we have seen at the country level projects <u>adapting</u> in creative ways to continue to deliver and build broader resilience to adapt to both climate change and the pandemic. What has been your reaction to how the Fund and Board have adapted in the past year, and how do you see the link between building resilience to climate change and the pandemic evolving as we go forward?

[Broman:] In my opinion, the Adaptation Fund reacted quickly to the new circumstances caused by the pandemic, including holding an initial digital Board meeting to allow the Fund to continue meeting the demands of the communities most affected by climate change in developing countries. It quite quickly became evident that project implementations slowed down when societies in many parts of the world partly, or almost totally, shut down and, upon a proposal by the Secretariat, the Board decided to take measures to allow for longer implementation periods in certain cases and for greater flexibility in project budgets for implementing entities to cater for the unforeseen and new situation.

Even if the digital format for Board meetings has its limitations and cannot fully replace a physical meeting, all countries on the Board have shown remarkable support in consenting to the Fund's only current option of digital meetings and thereby allowing us to continue to operate with speed and continuity. This is important, as the negative effects of climate change are continuing and will continue for decades despite what happens in society. The pandemic has quickly made us realize that we need to prepare for the unknown and be innovative in our approach. Preparing for the unknown is also what we must do when it comes to adapting to a changing climate. Building resilience demands local and homegrown knowledge, the involvement of civil society, a sincere gender lens, sustainable financial flows, effective implementation, learning and innovation. But it also demands clarity from the point of view of project implementation and that demands are well anchored in local, national and regional agendas – that national budget priorities support the work of adaptation and that these priorities are reflected in NDCs (nationally determined contributions by each country to mitigate and adapt to climate change), NAPs (national adaptation plans by countries to identify adaptation needs and develop response measures) and in the dialogue with both donors and the private sector. It is imperative to align all financial flows with the Paris Agreement if we are to succeed.

The pandemic has also pointed to the current unsustainable relation between humans and nature, and that we need to build resilience to future crises by stopping the rapidly decreasing biological diversity through allowing other species to flourish and leaving them with enough space. This would make it harder for zoonotic diseases to jump to humans. To make peace with nature, we also need to halt climate change and stop polluting our one and only Earth. Changing this is still possible, but will demand a very different mindset around the world. Time is unfortunately not on our side. When we rebuild economically from the pandemic, every single investment must be green and made with a long-term vision that supports human security and health. If we all ask ourselves whether our actions meet those demands, things can really start to change. As consumers in a market economy, we also make a lot of choices every day in areas stretching from how our pension funds are invested to what we eat and how our food is grown or produced.

[AF:] The Board raised its resource mobilization targets by over 30 percent in November, for both 2020 and 2021, raising it from US\$ 90 million to US\$ 120 million a year – a significant increase to address continued record demand the Fund has been receiving from countries for projects, as well as new grant funding windows it is offering to countries in enhanced direct access, project scale-up, innovation and leaming – reflecting the increased urgency of climate change. The Fund recently raised US\$ 116 million from a growing and diverse donor base of regional and national donors, including the first non-annex 1 contributor. Can you

comment on the importance of raising those targets and how you hope the Fund's resource mobilization activities progress over the next year?

[Broman:] The Adaptation Fund has extensive experience in implementing small-scale adaptation projects, has a well-functioning Secretariat and Board, an active NGO network and a newly established Technical Evaluation Reference Group (TERG) to support the Board's work. As I understand it, the Fund also seems to be greatly appreciated by developing countries. In view of this, and as we see that the effects of climate change are increasing year by year, it is only logical for the Fund to grow in relation to the increased requests for funding it receives. New donors are needed and are very welcome, and would enable the Fund to unlock some of its current resource constraints. If the Fund does not manage to raise its country cap, it will obviously become less attractive as time goes by and as an increasing number of countries reach the cap.

At the same time, we have to acknowledge that the Fund is not the only player in the field and collaboration with other funds – such as the <u>Green Climate Fund</u> and other climate investors including the multilateral developments banks – is crucial to scale-up successful AF projects and to share knowledge.

The rapid and extremely worrying loss of biological diversity is partly linked to climate change, partly to other human activities, and I consider the challenge it presents to human security to be equally as great as climate change. I would therefore like the AF to increase learning and collaboration with other funds on how adaptation projects can build resilience to climate change while reversing the loss of other species on Earth.

[AF:] Many people who are drawn to work at the Adaptation Fund cite its tangible, localized adaptation <u>projects</u> on the ground for the most vulnerable communities or its innovative modalities like Direct Access that empower country ownership in adaptation. What do you like most about the Fund?

[Broman:] What I like most about the Fund is that people involved with the Fund are really engaged in the work at all levels. I could personally see and hear the broad involvement when I visited two project sites on the coast of Senegal in early 2020. I can see it in the presentations of the NGO network at Board meetings and their demand for greater involvement in work of the Board. I can see it in the continuous hard work of the Secretariat and its swift proposals for greater flexibility when the pandemic struck, and I can see it when the Board works late evenings in Bonn and when I listen to the vast experience of the TERG staff.

And I really like that the Fund is supporting the enhancement of developing countries' own institutional capacity to adapt to climate change by allowing <u>Direct Access</u>, and that this is prioritized. This is a way of empowering people and it allows them to be in the driving seat when it comes to local priorities.

[AF:] What is your vision for the Fund over the next year and where would you like to see the Fund positioned five years from now?

Broman: My vision for the Fund is quite simple: it is that the Fund continues to grow and innovate to meet the demands of the future. The upcoming review of the <u>mid-term strategy</u> will be a good occasion to reflect upon the way forward. The relationship between climate change and human security and its potentially destabilizing effects on society – whether societal, economic or political – is something that the Fund needs to be increasingly aware of, as climate change will intensify. The pandemic has also put health aspects of climate change and adaptation into the spotlight.

[AF:] Sweden has been a top contributor to the Fund for many years and set a great example/tone a couple years ago by becoming the first contributor to commit to a <u>multi-year pledge</u> to the Fund. It also has championed the Fund's <u>gender work</u>, which fosters gender equality and mainstreaming across projects and programmes. How does it feel representing a country that has been such a large supporter of international climate finance for the most vulnerable, and do you hope that Sweden's example and that of the Fund's other contributors carries over to others?

[Broman:] Sweden allocates one per cent of its gross national income (GNI) to official development assistance (ODA) and has – in absolute terms – tripled its financing for climate action within international development cooperation since 2014 and currently allocates roughly 50/50 between adaptation and mitigation. The reason for this is that demands are so high for adaptation around the world and that at the same time, we must speed up work to enter the fossil-free era as soon as possible if we are to stay within reasonably safe limits for humankind. But time is running out and we are clearly on a trajectory where there is a risk that parts of the world will be uninhabitable in the future. The open debate on climate-related security risks in the UN Security Council that took place on February 23 earlier this year saw for the first time nine heads of state or government, as well as the newly appointed U.S. Presidential Envoy on Climate Change, participate in a debate where a large majority of countries acknowledge the risks of the effects of climate change to international peace and security. Part of the response to diminish those risks involves the work being carried out by the Adaptation Fund and other actors in development cooperation and climate adaptation. It is a task that must be carried out at local, national, regional and international levels. We are all actors in this great challenge.

We know from research that by allowing greater involvement of both women and men, we will make adaptation more sustainable and give a voice to all those who are most affected by climate change. It is both smart economics and democratically sound to allow resources, rights and representation to be fairly distributed between women and men, girls and boys.

Sweden's multi-year pledge to the Fund was based on the fact that the Fund is well functioning, now <u>serves the Paris Agreement</u>, is well appreciated by developing countries, and that the Fund would benefit from more predictability in its financing. I would like to encourage more donors to enter into multi-year agreements to allow for better effectiveness and efficiency.

To sum up, no country is doing enough today, and therefore we all can and must do more. The fact that Sweden may be considered to be at the forefront means that we want other countries to challenge us on all levels. Sweden has set goals and for some years has had a binding climate law and ambitious action plans together with the Swedish business sector. Our clear goal is to become the world's first fossil-free welfare nation by 2045. But we encourage others to beat us to this goal. The EU's New Green Deal will also translate into more climate action in developing countries through what is collectively (European Union and its member states) the world's largest donor to international development cooperation.

ABOUT the ADAPTATION FUND

Since 2010, the Adaptation Fund has committed about US\$ 814 million for climate change adaptation and resilience projects and programmes, including 118 concrete localized adaptation projects in the most vulnerable communities of developing countries around the world with about 27 million total beneficiaries. It also pioneered Direct Access and Enhanced Direct Access, empowering countries to access funding and develop local projects directly through accredited national implementing entities.

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