



ADAPTATION FUND

## **Adaptation Fund Doubles the Amount of Funding Countries Can Access, Enhancing Access to Climate Finance Among Most Vulnerable**

**Board also invites countries to nominate up to two National Implementing Entities to access funding**

Washington, D.C. (*April 8, 2021*) – In response to continued record demand for projects amid the ongoing climate crisis, the Adaptation Fund Board made a historic decision at its [36<sup>th</sup> meeting](#) that concluded today by doubling the amount of funding that countries can access from the Fund.

The groundbreaking decision responds to the urgency of climate change by enhancing access to climate finance for vulnerable countries through raising the Fund's cap on single country project funding from US\$ 10 million to US\$ 20 million.

Separately, the Board decided to enable countries to nominate and accredit up to two national implementing entities (NIEs) per country instead of just one under the Fund's pioneering [Direct Access](#) modality which empowers country ownership in adaptation by allowing countries to access funds and develop projects directly through accredited NIEs. It also strongly encouraged all developing countries, including those that do not yet have NIEs, to make use of Direct Access to bring potential new entities forward for accreditation and to develop adaptation projects through the modality. To date, the Fund has accredited 33 NIEs which are implementing projects that make up about a quarter of its portfolio.

In raising the country cap, the Board included provisions to retain the Fund's identity and strong track record in pioneering small-scale adaptation projects that are scalable and replicable, by keeping individual country projects to a maximum of US\$ 10 million each. Countries must also have either spent at least US\$ 8 million or last accessed funding for concrete projects at least four years ago in order to access the increased funding limit of US\$ 20 million. This is aimed at providing equitable opportunities for countries, as well as those that have shown tangible actions.

The Board will assess the impacts of raising the cap in three years, including analyzing resource availability, equitable access, progress in additional accreditations (54 national, regional and multilateral implementing entities are accredited by the Fund to date), and project development.

The Board held several in-depth, detailed discussions about the possibility of increasing the cap in previous meetings, before advancing the conversation further in this meeting and deciding to make the move.

*"The Adaptation Fund has made tremendous progress and this is an historic decision,"* said new Board Chair Mr. **Mattias Broman**, of Sweden, who presided over the virtual meeting. *"I congratulate*

*the Fund for taking this great step of doubling the country cap to US\$ 20 million, which will broadly benefit developing countries across the globe that are most affected by climate change, and help address the urgency of the climate crisis. Increasing the number of potential national implementing entities per country to two also gives countries additional flexibility and potentially more capacity to help address the crisis.”*

The doubling of the single-country cap for regular projects does not impact other funding windows that countries can currently access through the Fund, such as the Fund’s Programme of Regional Projects as well as Project Scale-Up, Innovation, Learning, Enhanced Direct Access and Readiness grants – all of which were already available to countries in addition to regular projects.

The three-day meeting began with the annual [transition of Board leadership](#) with **Broman** assuming the Chairship from outgoing Chair Mr. **Ibila Djibril** of Benin who will remain on the Board, and Mr. **Albara Tawfiq** of Saudi Arabia settling into Broman’s previously held Vice-Chair position.

The Board also approved US\$ 18.5 million in new projects and programmes in climate-vulnerable countries, including five concrete adaptation projects in **Indonesia** (two), **United Republic of Tanzania**, and first-time AF-funded projects in the **Syrian Arab Republic** and **Zimbabwe**. It additionally approved a learning grant in **Kenya**, and several project formulation grants to develop concept proposals further in various countries. It endorsed six concepts and pre-concepts.

Further, the Board decided to set aside US\$ 60 million for regional projects and US\$ 20 million for [Enhanced Direct Access](#) projects in fiscal year 2022, as well as increase [Readiness Support](#) Package grants to a maximum of US\$ 150,000 per country.

*“We have seen everyone affected by climate change and the pandemic over the past year, and the urgency of climate change continues to be reflected in the record demand for projects we have received over the last several years,”* said Mr. **Mikko Ollikainen**, Adaptation Fund Manager. *“The Board’s decision to double the country cap is monumental and will help bring further needed relief to the most vulnerable countries to climate change, many of which have also been hit hard by the pandemic. The Board also took a range of decisions that further enhance access to climate finance among the most vulnerable.”*

Among other decisions, the Board adopted a [vision and definition](#) for [innovation](#), and agreed to continue to actively engage with the **Green Climate Fund** (GCF) to pursue complementarity and coherence and take concrete steps to advance options for Fund to Fund arrangements. It further agreed to continue discussions with GCF to advance collaborative activities identified at the Annual Dialogue of Climate Funds held last November, including sharing results through collective platforms; enhancing complementarity through joint programming; building capacity among communities of practice and scaling up of effective projects; sharing experiences of COVID-19 responses, successes and lessons; enhancing practices through knowledge; and exploring joint activities among funds at COP 26 later this year.

The Board also took steps to enhance collaboration with civil society and the [AF NGO Network](#), including planning an updated survey among the Board and to evaluate the potential need for a policy of further engagement with civil society that also examines practices of other climate funds.

Further, the meeting featured discussions with CEO and Chair of the **Global Environment Facility**, Mr. **Carlos Manuel Rodriguez** and a Dialogue with Civil Society.

Rodriguez said he is very pleased with the results of an AF-funded [project in Costa Rica](#) that utilizes ecosystem-based adaptation to help small farmers adapt through climate-smart farms that have built resilience against floods and droughts and can serve as replicable models. He also emphasized the importance of increasing complementarity among climate funds towards a common long-term vision.

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## 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 28 million beneficiaries. It also pioneered Direct Access, empowering countries to access funding and develop projects directly through accredited national implementing entities.

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