



ADAPTATION FUND

Adaptation Fund Poised to Support Accelerated Adaptation Response, in Wake of New IPCC Report

Washington, D.C. (February 28, 2022) -- A new Intergovernmental Panel on Climate Change (IPCC) report, titled *Climate Change 2022: Impacts, Adaptation and Vulnerability*, approved by 195 country governments and released Feb. 28, issued a dire warning while urging immediate and more ambitious adaptation actions to deal with increasing climate risks.

The [report](#) found that “accelerated action is required to adapt to climate change,” while also making rapid, deep cuts in emissions. It found progress on adaptation is uneven with increasing gaps in poorer populations. Current global public and private sector adaptation financial flows are “insufficient” and constrain implementation options, especially in developing countries. With adaptation finance needs having grown since the last IPCC report, enhanced mobilization of financial resources is needed to reduce these gaps, as well as build capacity and remove barriers to access them - especially for vulnerable groups.

The Adaptation Fund is uniquely suited to help respond to the rising urgency of adaptation, through its growing portfolio of concrete, scalable adaptation projects on the ground that are tailored to vulnerable countries’ adaptation needs, and its innovative finance mechanisms that build country ownership in adaptation. Its climate finance [readiness](#) and [accreditation](#) programmes further provide support to countries through the accreditation and project development processes.

“We hear loud and clear in the new IPCC report that climate change has worsened, more ambitious adaptation financing and action is needed, and that the window for action is narrowing,” said Adaptation Fund Board Chair Mr. **Mattias Broman**, of Sweden. *“The Adaptation Fund stands ready to support, with its vast experience in funding concrete, effective, innovative and scalable projects across [adaptation sectors](#) such as ecosystem-based adaptation, disaster risk reduction, food and water security, coastal, agricultural and urban adaptation. It fosters access to climate finance, such as pioneering streamlined accreditation to small countries that might not otherwise have access to funding. The Fund is country-driven with collaborative processes in place, and also launched several new funding windows over the last couple of years that are designed to further project scale-ups, innovation, and learning to accelerate adaptation across the globe as we continually evolve and innovate to meet countries’ needs.”*

According to an IPCC [release](#), scientists said in the new report that human-induced climate change is widely disrupting nature and affecting billions of lives around the world, with people and ecosystems least able to cope being the hardest hit. The world faces unavoidable multiple climate hazards over the next two decades due to global warming, with added severe impacts that may be irreversible if further action is not taken. Increased heatwaves, droughts and floods are already exceeding plant and wildlife tolerance, while exposing millions of the most vulnerable people to acute food and water insecurity.



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In addition to more adaptation finance, the report called for collaboration at all levels; adaptation approaches that foster healthy and climate-resilient ecosystems to leverage nature's potential to reduce climate risks, improve people's lives and sustainable access to food and clean water; and more adaptation efforts in cities, where more than half the world's population lives. It also recommended appropriately funded and local context-driven adaptation technologies, while reporting a dearth of explicit health sector adaptation financing. The report cited a large number of Adaptation Fund projects that are broad-based and may have considerable indirect benefits for health systems such as in food security, and also cited a number of Fund projects dedicated to water management and disaster risk reduction.

Created in 2001 and launched in 2007, the Adaptation Fund formally serves the Paris Agreement through its concrete [effective and efficient](#) adaptation projects on the ground to the most vulnerable and its innovative finance mechanisms such as its pioneering [Direct Access](#) modality that empowers country ownership in adaptation. It has grown to commit about US\$ 875 million to 130 [projects and programmes](#) in over 100 countries, more than half in SIDS or LDCs, and its new funding windows in project [scale-up](#), [innovation](#), [learning](#), and [enhanced direct access](#) offer additional opportunities to vulnerable countries. Its projects are benefitting 33 million total people, restoring over 381,000 ha of natural habitat and 162,000 meters of coastline while training more than 1 million people in climate resilience.

"The latest IPCC report is concerning when it comes to the rising adaptation needs and urgency we are seeing all over the world, particularly for those who are most vulnerable and since each successive report has become increasingly dire. The positive news is that the Adaptation Fund has an excellent track record in some of the very areas that the report is targeting for more focus, such as in adaptation finance as well as our local projects focused on [nature-based solutions](#), [urban adaptation](#) and others, and it is the only UN fund that was explicitly created to fund concrete adaptation projects for those who are most vulnerable to climate change," said Mr. **Mikko Ollikainen**, Head of the Adaptation Fund. *"The Fund continues to be nimble and itself adapt, launching additional funding windows for countries such as the [Adaptation Fund Climate Innovation Accelerator \(AFCIA\)](#) that is open to governments, the private sector, civil society, young entrepreneurs and others to help accelerate innovation in adaptation and double-down on creating successful models that can be scaled up across the adaptation field – which is a hallmark of the Fund's work overall."*

Last year the Fund doubled the amount of single-country project funding countries can receive from US\$ 10 to \$20 million, and received a record US \$350 million in [new support](#) from a high 16 contributors at the COP26 climate conference in Glasgow. But its projects under development have also been growing at a record pace as vulnerable countries strive to adapt over the last several years, with an active pipeline of more than US\$ 300 million.

The Working Group II report is the 2nd installment of the IPCC's 6th Assessment Report, which will be completed later this year.



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ABOUT THE ADAPTATION FUND

Since 2010, the Adaptation Fund has committed nearly US\$ 878 million for climate change adaptation and resilience projects and programmes, including 127 concrete, localized projects in the most vulnerable communities of developing countries around the world with 31.5 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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