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Adaptation Fund Poised to Further Adaptation Action as it Prepares to Launch 5-Year Plan, on Heels of IPCC Report

Washington, D.C. (March 21, 2023) -- With Monday's release of the new Intergovernmental Panel on Climate Change (IPCC) report, the final synthesis of the panel's 6th assessment, citing widespread, rapid and adverse climate impacts and disproportionate effects on the most vulnerable, the Adaptation Fund is poised to continue to make a positive difference on the ground as it begins to implement its new five-year strategy focused on the pillars of Action, Innovation and Learning and Sharing.

Its Board adopted this Medium-Term Strategy for 2023-2027 last October, and will review and decide on the Fund's prepared implementation plan for it at its 40th meeting later this week.

According to a release from IPCC, the synthesis report indicates the pace and scale of climate action has been insufficient to date but there are many available feasible and effective options to reduce emissions and adapt to climate change. The report underscores the "urgency of taking more ambitious action" now so that a livable and sustainable future for all can still be secured. "Accelerated climate action will only come about if there is a many-fold increase in finance. Mainstreaming effective and equitable climate action will not only reduce losses and damages for nature and people, it will also provide wider benefits."

Over the last few years the Adaptation Fund's previous Medium-Term Strategy (MTS) for 2018-2022 increased its ambition and impact, as it launched seven new funding windows to accelerate Action, Innovation and Learning and Sharing in adaptation. Many of those funding windows are additional funds that are available to countries outside of regular country funding. The Board also doubled the amount of funding countries can access for regular concrete projects from US\$ 10 to \$20 million.

The new MTS will build further on the first strategy.

"We have to move faster to keep pace with global adaptation needs, and the new IPCC report further confirms that," said Adaptation Fund Head **Mikko Ollikainen**. *"The Adaptation Fund has a comparative advantage in having now nearly 140 concrete projects on the ground with much knowledge accumulated about what is effective and scalable. We have also worked hard to offer countries additional innovative funding opportunities, and will continue to adapt to countries' needs to further accelerate adaptation action. It's a marathon, but there is a finish line and we are in a sprint to get there right now."*

The IPCC release outlines over a century of burning fossil fuels as well as unequal and unsustainable energy and land use has led to more frequent and intense extreme weather



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events causing increasingly dangerous impacts on nature and people in all corners of the world. “More intense heatwaves, heavier rainfall and other weather extremes further increase risks for human health and ecosystems,” the release said. “In every region, people are dying from extreme heat. Climate-driven food and water insecurity is expected to increase with increased warming.”

Managing these risks is compounded further with other adverse events such as pandemics or conflicts.

Although the IPCC report says adaptation planning and implementation has progressed across all sectors and regions, it cautioned that “adaptation gaps exist, and will continue to grow at current rates of implementation. In this decade, accelerated action to adapt to climate change is essential to close the gap between existing adaptation and what is needed.”

The report called for climate resilient development that is rooted in diverse worldviews, values and knowledge, science, indigenous and local knowledge. Prioritizing climate risk reduction for marginalized communities is another key recommendation. “The choices made in the next few years will play a critical role in deciding our future and that of generations to come,” according to the IPCC release.

Much of the report’s recommendations are aligned with the Adaptation Fund’s focus on concrete, scalable actions for the most vulnerable.

The Fund has also been moving strongly to add more offerings for countries over the last few years, as the adaptation urgency has been increasing. The Fund itself has been seeing consistent record demand for projects from countries, and now has a project pipeline approaching US\$ 400 million.

Independent evaluations from the Fund’s Technical Evaluation Reference Group (AF-TERG) concluded that the first MTS was a good fit-for-purpose strategy, forward-looking and responsive to global adaptation imperatives.

The new MTS 2 will build further on those achievements, while increasing its ambition, linkages and synergies. It also adds the cross-cutting features of locally led adaptation (LLA) and scaling up actions and results. The Fund was an early adapter of locally led adaptation, pioneering Direct Access and Enhanced Direct Access (EDA) over a decade ago to empower national implementing partners to empower local actors in adaptation projects and now has explicit EDA funding available that fosters local action.

They are aligned with the Fund’s overall project development processes which are inherently local and country-led. Funding is targeted to local adaptation needs. Disaster Risk Reduction and early warning systems, for example, comprise close to 20% of the Fund’s portfolio, while agriculture, food and water security, coastal zone management and ecosystem-based adaptation are among other significant adaptation sectors.

LLA and scaling up will complement other cross-cutting elements in the strategy, including enhancing access to climate finance; building long-term adaptation capacities; empowering the



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most vulnerable communities as agents of change; advancing gender equality; and strengthening synergies with other adaptation funders.

The live webcast of the 40th Adaptation Fund Board meeting from Bonn, Germany can be viewed [here](#) March 23-24 from 9 am-5 pm (CET).

ABOUT THE ADAPTATION FUND

Since 2010, the Adaptation Fund has committed over US\$ 988 million for climate change adaptation and resilience projects and programmes, including 139 concrete, localized projects in the most vulnerable communities of developing countries around the world with over 38 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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