

GCF THEMATIC BRIEF

ADAPTATION



Enhancing the capacity of vulnerable communities to cope with climate risks is crucial to securing sustainable livelihoods. This can be done through:

- **Adaptation** - the ability to change processes, practices and structures in response to actual or expected climate impacts.
- **Resilience** - the ability to recover from climate-related disasters.

GCF is scaling up catalytic investments in adaptation and resilience projects, mobilising transformative finance at scale that prioritises the most vulnerable countries.



Committed to
50/50
Adaptation-Mitigation
balance



At least
50% of adaptation
funding goes to the most
vulnerable countries:
LDCs, SIDS and African States

ADAPTATION IS ESSENTIAL FOR THE POOR

The Paris Agreement ensures that adaptation is as important as mitigation in addressing the climate crisis.

Our central goal is to promote a paradigm shift towards low-emission, climate-resilient development. By working to deliver a balanced allocation of funding, our climate investments help to improve people's health, resilience and livelihoods, creating green jobs and building adaptive capacity.

Climate finance is increasing but funding for adaptation action is lagging behind. It is vital to close this gap. GCF is committed to increasing adaptation funding and has already committed over USD 3 billion to adaptation projects. We prioritize funding for particularly vulnerable people, communities and countries who suffer the most from climate change impacts. Nearly 70 per cent of our adaptation investments are in the Least Developed Countries, Small Island Developing States and in Africa.

ATTRACTING PRIVATE INVESTMENT

GCF invests to prove new adaptation business models, scale up promising approaches, and de-risk adaptation projects to make them more attractive to private sector investors. Our long-term funding instruments include concessional structures to de-risk high impact projects, for instance in resilient infrastructure. GCF funding can be distributed through equity, debt, guarantees and grants. We deploy innovative financing structures, including project-based special purpose vehicles, direct equity, debt funds, fund-of-funds, structured finance and on-lending.

SUPPORTING ADAPTATION PLANNING

GCF provides adaptation planning funds to developing countries. The Readiness Programme provides each country with up to USD 3 million to formulate National Adaptation Plans and/or other adaptation planning processes. These are key building blocks for countries to develop adaptive capacities, carry out climate studies and projections, consult stakeholder groups about climate resilience challenges, attract adaptation investment from different sources including the private sector, and help galvanise public and private sector-led actions to make communities more climate-resilient. To date, 69 proposals have been approved with a value of over USD 162 million, supporting countries to strengthen their adaptation planning.

ENSURING ADAPTATION IMPACT

GCF's investment criteria focus on country ownership, the specific needs of the project beneficiaries, the impact potential and the sustainable development potential of a project, as well as its financial efficiency and effectiveness. GCF's results areas ensure a strategic approach to shifting the paradigm and ensuring impact in specific sectors. Adaptation results areas are:

1. ecosystems and ecosystem services;
2. health, food and water security;
3. resilient infrastructure;
4. livelihoods of vulnerable communities.

To level the playing field, we support countries financially to develop adaptation project concept notes, feasibility studies and gender assessments, as well as full project proposals. Crucially, we also invest in climate information and early warning systems, to ensure that reliable climate data is available to assess climate risks.

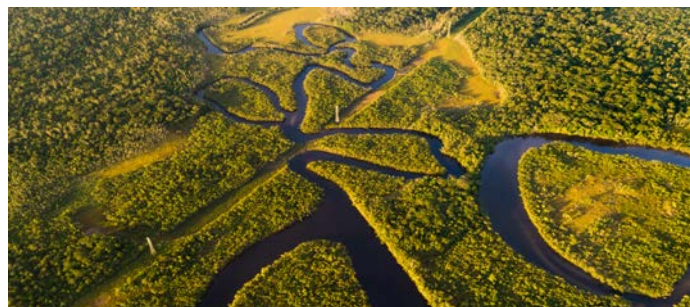


Global Fund for Coral Reefs Investment Window

Implemented with Pegasus Capital Advisors LP – GCF's first blue economy project will create a private equity fund to encourage investments protecting coral reefs. Targeting 16 countries in Africa, the Asia-Pacific, Latin America and the Caribbean, and the Mediterranean, it aims to address critical financing and private investment barriers centred around the blue economy. GCF will act as an anchor investor with its initial investment, encouraging further public and private sector investment including through philanthropy and other sources.

- **35.25 million people** with increased resilience
- **29,000 ha of reef protected**, equivalent to USD 10.0bn per year of ecosystem services
- **Total project value:** USD 500.0m
- **GCF financing:** USD 125.0m in equity, catalysing further investments
- **Co-financing:** USD 375.0m

www.greenclimate.fund/project/fp180



The Amazon Bioeconomy Fund

This new fund in six Amazon countries will deliver sustainable solutions to reduce the impacts of climate change by prioritizing natural capital and delivering climate benefits including active participation by women, indigenous and tribal peoples and by local communities in the supply chains of forest products and the sustainable development of the region. The programme will be implemented with the Inter-American Development Bank and will encourage private investment in six key areas: sustainable agroforestry, native palm cultivation, non-timber natural forest products, growing native species timber, aquaculture, and community-led nature tourism..

- **677 000 people** with increased resilience
- **Total project value:** USD 598.1m
- **GCF financing:** USD 279.0m
- **Co-financing by Acumen:** USD 319.1m

www.greenclimate.fund/project/fp173



Strengthening climate resilience of farming communities in Sri Lanka

Sri Lankan farmers are suffering from climate-induced irrigation problems and drinking water shortages. Rising temperatures and changing seasonal rainfall are accelerating the intensity and frequency of both droughts and floods. Increasing erosion upstream is causing flooding and food insecurity downstream. This project is improving farm- and land-management practices to benefit people as well as catchments in the Knuckles Mountains highlands and lowlands.

- **1.3 million people** with increased resilience
- **Total project value:** USD 49.0m
- **GCF financing (grant):** USD 39.775m
- **Co-financing:** USD 9.2m

www.greenclimate.fund/project/fp124



Acumen Resilient Agriculture Fund (ARAF)

GCF is collaborating with an impact investor in Africa to attract private sector funding for adaptation. The 12-year Acumen Resilient Agriculture Fund is designed to provide long-term capital, enabling smallholder farmers to adapt to climate change more effectively. ARAF supports entrepreneurs in micro-, small-, and medium-sized enterprises in Ghana, Kenya, Nigeria and Uganda, providing farmers with innovative financial services, including microinsurance and mobile payments.

- **10 million people** with increased resilience
- **Total project value:** USD 56.0m
- **GCF financing:** USD 26.0m (USD 23 million equity, USD 3 million grant)
- **Co-financing by Acumen:** USD 30.0m in equity capital

www.greenclimate.fund/project/fp078