Dialogue on addressing developing countries' capacity gaps in accessing adaptation funding



Capacity gaps of developing countries in accessing adaptation funding as identified by the Adaptation Committee

10 July 2023

## I. Relevant work by the AC in identifying the capacity gaps

- 2016/2017: Joint work of the AC and the LEG on methodologies for taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries (COP 21 mandate), based on submissions and desk reviews;
- 2017: Information paper on experiences of countries in accessing the readiness programme for adaptation of the GCF, based on surveys and interviews;
- 2018: AC workshop on accessing the Readiness and Preparatory Support Programme of the GCF for adaptation, held during the NAP Expo;
- 2021: AC information note on **capacity gaps in accessing adaptation funding**, based on submissions from Parties and non-Party stakeholders, in response to guiding questions and including their experience, successes and remaining challenges

## II. List of identified capacity gaps

- Raising awareness of climate change impacts and creating enabling environments, i.e. understanding risks and the need for adaptation and its mainstreaming;
- Making the case for adaptation, i.e. determining the funding need, proving a return on investments and preparing fundable projects and proposals in the context of adaptation planning;
- Navigating and accessing different funding instruments and mechanisms, i.e. understanding the climate finance architecture, including public and private, bilateral and multilateral sources, as well as processes and requirements of the different funds;
- Ensuring capability of the funding seeker, i.e. accreditation;
- Using and managing funds, i.e. availability and disbursement of funding, and spending adaptation finance in line with policies and regulations.

## III. Further relevant findings

- Most of the identified capacity gaps relate to skill sets, human resources and institutions;
- Gaps related to access to data and information; institutional, human, political, financial, economic or governance factors **often mutually reinforce each other**;
- Types of gaps are very **similar across different countries, sectors or levels** (e.g. a government of a developing country Party seeking to access funds from international climate adaptation funds or a local government seeking to access finance in a developed country);
- Instead of building the capacity to access a particular fund, capacity-building activities should be **broader** in nature;
- Current types of capacity-building based on one-off, project-based support do not contribute to sustainable capacity-building **greater focus is needed on enhancing long-term, institutional and technical capacities** which would simultaneously facilitate adaptation implementation as well as access to finance, at best linked to long-term adaptation and development priorities as outlined e.g. in NAPs and NDCs.

## IV. Key objective of the first part of the dialogue

- All of the adaptation-related constituted bodies have contributed in one way or another to addressing the identified capacity gaps, based on their mandate and respective workplans
- The key objective of this first part of the dialogue is to identify ways in which
  we can create synergies and complement each other and to identify priority
  action areas for which support from additional stakeholders is needed in order
  to enhance the desired long-term, institutional and technical capacities
  needed for implementing adaptation and accessing its funding