



## GEF issues 3<sup>rd</sup> Call for the Challenge Program for Adaptation Innovation

The [Global Environment Facility](#) (GEF) has launched the third round of the [Challenge Program for Adaptation Innovation](#). A total of \$20 million in GEF finance will be provided from a combination of the GEF-managed [Least Developed Countries Fund \(LDCF\)](#) and the [Special Climate Change Fund \(SCCF\)](#). \$1 to \$2 million in GEF finance<sup>1</sup> will be awarded to each winning concept.<sup>2</sup> Climate change adaptation innovators are invited to submit their project concept by May 18, 2024, using this online form: <https://forms.office.com/r/jMdATfbZu4>

### Background

The Global Environment Facility (GEF) is a family of funds dedicated to confronting biodiversity loss, climate change, pollution, and strains on land and ocean health. Its grants, blended financing, and policy support helps developing countries address their biggest environmental priorities and adhere to international environmental conventions. Over the past three decades, the GEF has provided more than \$24 billion and mobilized \$138 billion in co-financing for 5,700 national, regional, and global projects. Climate change adaptation is supported by the GEF through the LDCF and SCCF. Since inception, the LDCF and SCCF have invested over \$2.1 billion in climate adaptation impact through over 380 projects.

There is urgent need for innovation and large-scale private sector investment in climate change adaptation. The adaptation financing gap for developing countries is currently estimated to be \$194 to 366 million per year.<sup>3</sup> Despite increasing recognition of the need and opportunities for private sector investment in climate adaptation and resilience, sources estimate that in recent years the private sector has consistently financed less than 3 percent of climate adaptation and resilience activities globally.<sup>4</sup> To address the barriers and catalyze the investment and action needed, the [GEF Programming Strategy on Adaptation to Climate Change](#) has a focus on technology transfer, innovation, and private sector engagement.

With the guidance of the LDCF/SCCF Council, the GEF launched the Challenge Program for Adaptation Innovation in 2019. The Challenge Program for Adaptation Innovation catalyzes innovation to harness the power of private sector actors for achieving climate adaptation finance and action. Projects supported test, validate, and highlight scalable investment approaches, business models, partnerships, and technologies. Based on insight from the Independent Evaluation Office of the GEF and learning

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<sup>1</sup> Inclusive of all agency fees and project preparation grant.

<sup>2</sup> Contingent upon formal approval through the through the [GEF Project and Program Cycle](#).

<sup>3</sup> UNEP, 2023, [Adaptation Gap Report 2023](#).

<sup>4</sup> Global Center on Adaptation, 2023, [State and Trends in Climate Adaptation Finance](#).

gained through the first rounds of this Challenge Program<sup>5</sup>, this Challenge Program has demonstrated an ability to successfully engage a diversity of leading innovators in climate adaptation and resilience action.

## Examples

Innovation approaches to be supported through the third round of this Challenge Program may include:

- (a) Blending finance to catalyze private investment through risk sharing, design, or piloting of innovative finance models (e.g., climate resilience bonds; equity investment funds; debt restructuring; parametric and index-based insurance).
- (b) Catalyzing inclusive microfinance for access to micro loans at assessable terms (e.g., design finance, de-risking finance, and/or technical assistance for microlending to enable small scale farmers and micro businesses transition to climate resilient practices, including with a focus on youth and women owned business).
- (c) Enabling the conditions for private sector engagement (e.g., advancing use of climate adaptation impact metrics, standards, and investment taxonomies; strengthening climate risk disclosure and management; improving methods and use of risk pricing).
- (d) Advancing technology transfer and deployment (e.g., piloting, commercialization and scale up of first-of-a-kind technologies or known climate adaptation technologies into new contexts, including traditional, indigenous, and endogenous technologies).
- (e) Advancing innovative solutions for climate adaptation and resilience, including as related to human health (e.g., community cohesion and psychological resilience to increase adaptive capacity and reduce climate vulnerability; management of vector borne diseases; climate resilient health systems).
- (f) Incubating and accelerating of women and youth owned micro, small, and medium enterprises (e.g., entrepreneurship training, incubation for investment pipelines).

## Eligibility

All projects supported by this program must:

- Benefit [countries that are eligible to receive GEF finance](#).
- Focus on generating substantial climate change adaptation impact<sup>6</sup> by adapting or increasing resilience to current and anticipated impacts of climate hazards, as well as generate significant [co-finance](#) for project implementation.
- Align with the climate change adaptation priorities of countries where the project will operate.
- Be submitted by a public, private, or civil society or organization.<sup>7</sup>
- Be global, regional, or multi-country (generating impact in more than one country).<sup>8</sup>

## Pre-selection process and criteria:

- 1) A review committee will evaluate all eligible projects concepts based on the following criteria:

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<sup>5</sup> See information on winners of the second round [here](#), and the first round [here](#).

<sup>6</sup> See table 6 in the [GEF Programming Strategy on Adaptation to Climate Change](#).

<sup>7</sup> Only one project concept can be submitted per proponent. If more than one project concept is submitted from the same organization, only the first one received will be considered.

<sup>8</sup> Project concepts focused on a single country are not eligible for this program.

- i. Demonstrate potential of new models for generating finance for climate change adaptation and resilience, including with the private sector.
  - ii. Address critical barriers for climate adaptation finance, including risk sharing to catalyze private sector investment, improving climate adaptation information architecture, and improving policy alignment.
  - iii. Pilot and/or increase deployment of innovative climate solutions for climate change adaptation and resilience.
  - iv. Engage non-traditional partners in climate adaptation and resilience.
- 2) Project concepts will also be selected to enable a reasonable balance and distribution among eligible countries and regions, types of proponent organizations, and innovation themes. Focus on Least Developed Countries and SIDS is encouraged.
  - 3) The GEF CEO and Chairperson will select the winning project concepts based on recommendations of the review committee, which will be Chaired by the GEF Lead Environment Specialist and Manager of the LDCF/SCCF. The winning projects will be announced at UNFCCC COP29 in December 2024.
  - 4) All winning project concepts will be invited to submit project concepts through the formal [GEF project cycle](#), in partnership with a [GEF Agency](#). As needed, the GEF Secretariat will support winning project concepts to partner with an interested GEF Agency, to enable project submission and implementation through the [GEF Project and Program Cycle](#).

### How to submit

- Project concepts must be submitted via [this online form](#), and including the following:
  - Title of the project concept.
  - Name, contact person, email, and brief description of the project proponent organization. *(Maximum 200 words)*
  - Brief description of the climate change problem and associated vulnerabilities that will be addressed, as well as the type of climate change impacts that will be generated. *(Maximum 500 words)*
  - Substantive description of the innovative model, the opportunities it will capitalize on and barriers it will address, how it will engage the private sector if relevant, and how it is innovative. *(Maximum 1000 words)*
  - Anticipated partners, including the implementers of project activities, investors, other collaborators, and intended beneficiaries. Please also briefly outline any financial support this project concept has previously received from bilateral or multilateral sources. *(Maximum 500 words)*
  - Geographic focus: Global, regional, or multi-country.<sup>9</sup>
  - Preferred GEF Agency if known at the time of submission.<sup>10</sup>
- Clarifying questions on the process can be sent to [challengeprogram@thegef.org](mailto:challengeprogram@thegef.org).
- Concepts must be submitted by May 18, 2024, at 23:59 ET.

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<sup>9</sup> Although the focus countries are encouraged to be indicated at the time of submitting a project concept, this is not a requirement given the early stage of development. Approval by the relevant countries' [Operative Focal Point](#) to the GEF will be required at a later stage for all project concepts that are selected to advance, as per GEF policy.

<sup>10</sup> Although one or more GEF Agency may be indicated as preferred partners in this form, it is not required at the time of submitting a project concept.