Key messages for National Societies on Climate Finance

What is climate finance?

Climate finance is public or private finance dedicated to reducing greenhouse gas emissions (climate change mitigation) or strengthening the ability to manage climate change impacts (climate change adaptation). The work of National RCRC Societies on disaster risk reduction, preparedness, resilience and reducing vulnerability aligns with the purpose of finance for climate change adaptation. More background information can be found in the IFRC Climate Finance FAQ

Climate finance comes from a broad variety of sources. Most climate finance globally is in the form of loans from private banks, development banks, or governments. For national societies, grants from governments or dedicated climate funds are the most appropriate type of climate finance. These grants could come from bilateral donors, national climate funds, or multilateral climate funds like the GCF, GEF, Adaptation Fund, CREWS, or GCCA+.

Why should National Societies consider pursuing Climate Finance?

Climate finance isn’t reaching vulnerable communities. Only 10% of climate finance reaches the local level, and climate finance is not systematically directed to where needs are highest. Some of the most vulnerable countries in the world receive very little climate finance per person, forcing communities to bear the costs of adaptation.
National Societies can bridge from national to local level adaptation. National societies are already supporting climate adaptation actions through projects on disaster risk reduction, strengthening early warning systems, participatory vulnerability and capacity assessments, and climate-smart agriculture and WASH. Because of national society linkages from community to national level, the RCRC movement is well-placed to support locally led adaptation and collaborate with national governments for climate adaptation planning.

What opportunities exist for National Societies to access CF?

Focusing on small grants programmes gives NS an initial entry point to CF. National Societies can explore options for accessing climate funds through smaller funds, such as the GEF’s Small Grants Programme or the FFEM’s Small Scale Initiatives Program. These grants range from about $20,000 to $50,000 USD and are intended to support community-level initiatives. The GEF Small Grants Programme sits under UNDP and has a National Coordinator in each country. National societies can contact the National Coordinator to explore opportunities for funding and prepare concept notes.

Major climate funds are difficult to access. Though billions of dollars are being channeled to funds like the GCF, GEF, and Adaptation Fund, accessing this finance requires completing a very costly and demanding accreditation process. As a result, most climate finance is allocated to international organisations that have the capacity to undertake accreditation. National societies cannot directly apply for climate finance from these funds, but they can be an implementing partner for an accredited entity. For example, accredited entity UNDP manages the CF project, and the NS and IFRC work as the implementing partners. Developing these partnerships is vital to be included in project concept notes and funding proposals.

Some countries have National Climate Funds, which may be accessible to the National Society. National Climate Funds take different forms and focus on different thematic areas, so NS must investigate whether a national climate fund exists in their country and whether it allows for grants to CSOs and NGOs. As an auxiliary to the Government, National Societies could be a strong candidate for accessing this finance to implement locally led adaptation projects.

Engaging in national climate adaptation planning is vital for accessing climate finance. Climate finance priorities are based on national planning documents called National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs). Ideally, national societies should be involved in helping shape these documents. In doing so, they can ensure that national planning documents reflect the NS’ climate priorities and position NS as potential climate finance recipients. For more information, see IFRC Guidance on NAP Engagement.

National Societies will need to be proactive to access climate finance. NS leadership should work on developing partnerships with accredited entities and national ministries involved in adaptation planning, to demonstrate the valuable role NS already play in locally led adaptation. Where possible, the IFRC and PNS should support NS to connect to climate finance opportunities domestically and internationally.