

OCHA Key Messages – Status of the CERF Climate Action Account (CCAA)

As of 20 Nov 2024

I. Top-line messages

- To boost CERF's climate action, OCHA launched a dedicated **Climate Action Account (CCAA)** at COP28 as a swift and impactful avenue to channel additional finance through the coordinated humanitarian system to **support the world's most vulnerable communities suffering from climate-related crises, in particular in fragile contexts.**
- **The CCAA has already yielded concrete catalytic and operational benefits,** including by:
 - Creating **heightened attention to the importance of climate-smart humanitarian action** that both saves lives and builds communities' resilience to climate shocks, in particular in the most fragile contexts.
 - Promoting better humanitarian programming by incentivizing **climate-smart humanitarian programming** under CERF allocations **and advancing innovation and best practices in humanitarian assistance** to people who are most vulnerable to the impacts of climate change.
 - **Enabling climate action that would otherwise not have happened,** including by facilitating a dedicated CERF climate action funding envelope (\$10M) under the Underfunded Emergencies window, that was made possible by the CCAA.
 - **Scaling up anticipatory action for predictable climate-related shocks,** by allowing CERF to consider supporting new frameworks that may otherwise not have been feasible.
- While the initial generous CCAA funding (~\$6.1 million)¹ from first movers Ireland, Luxembourg and Latvia has already delivered results and allowed CERF to demonstrate proof of concept, sustained change and impact requires scale, and **additional, predictable, and sustainable contributions to the CCAA in the coming months and years are important.**

II. Why the CERF Climate Action Account?

1. **Climate change is a major driver of global humanitarian needs.** In addition to extreme weather and climate-related disasters becoming more frequent and more intense, climate shocks and stresses exacerbate existing vulnerabilities of people and communities. The most affected communities in fragile and conflict-affected settings benefit the least from financing to support adaptation and resilience.
2. **CERF is at the forefront in the climate crisis and fills an important niche in the global financing architecture, complementing other instruments.** Since its inception, CERF has allocated over a quarter of its funding for response and anticipatory action for climate-related hazards such as droughts, floods and storms.

¹ At the time of writing the CCAA has as received close to \$6.1 million from three donors (Ireland \$5.4 million in 2024, Luxembourg \$541,000 and Latvia \$108,000 in late 2023).

3. CERF needs to do more and can do more, including by increasingly supporting and incentivizing climate-smart life-saving humanitarian programming that at the same time **builds affected communities' resilience and adaptive capacity to future climate-related shocks and stresses**.
4. To strengthen and expand CERF's climate action, **OCHA established the CERF Climate Action Account (CCAA)** at COP28 in late 2023. The Account enables CERF to grow its climate action portfolio by:
 - supporting and incentivizing **life-saving actions that reduce exposure or vulnerability to future climate shocks** and stresses, thus helping to build communities' resilience and adaptive capacity to climate change;
 - **scaling anticipatory action** for predictable climate shocks;
 - boosting humanitarian **responses to climate-related disasters**; and
 - **fostering innovation and advancing best practices in impactful climate action** across the wider humanitarian system.
5. The aim is that CERF's enhanced support for and promotion of climate-smart humanitarian action will have a **multiplier effect** by leveraging a positive change in the wider humanitarian system **towards greater consideration of climate resilience outcomes in humanitarian response**.

III. CERF's comparative advantage in the climate-financing landscape

6. **CERF's time-tested comparative advantages, expanded and strengthened through the Climate Action Account**, uniquely position it to complement other climate financing instruments and **fill a critical gap in the global climate financing architecture**, while enabling it to drive the systemic change required for the humanitarian system to address the climate crisis more effectively. **CERF's proven comparative advantages include:**
 - **Reaching climate-affected people in fragile contexts:** CERF is uniquely positioned to get assistance as directly as possible to people impacted by climate shocks anywhere in the world. CERF directs a majority of its climate action to fragile and violence-affected contexts, that benefit least from other climate-financing, having allocated over 70 per cent of its funding to FCV countries since 2006. In addition, benefitting from a large network of local responders on the ground who partner with UN agencies, CERF-funded action reaches efficiently some of the affected individuals and communities most impacted by the climate crisis.
 - **Fast and timely climate action:** CERF is one of the fastest responders to climate disasters and other crises. On average, in 2023 CERF-funded rapid response activities in response to climate-related disasters started less than one working day after the submission of a funding application. CERF is also a leader in anticipatory and early action responses to climate disasters, employing detailed analyses and early warning systems to pinpoint the countries and people most at risk, and pre-arranging financing to enable life-saving actions ahead of shocks and impact.
 - **Advancing principled and coordinated field-led climate-action:** CERF allocations are anchored in inclusive field-based allocation processes that ensure collective prioritization of

funding by the best-placed stakeholders, who are closest to the people in need. Furthermore, prioritization is under the direct leadership of the highest UN official in-country, helping to ensure that resources are used to address the most pressing needs from climate disasters and other crises, through coordinated and coherent action across the nexus.

IV. Status of contributions to the CCAA

1. **Since its launch in November 2023 the CCAA has as received a total of \$6.1 million from three donors** (Ireland \$5.4 million in 2024, Luxembourg \$541,000 and Latvia \$108,000 in late 2023). This is additional funding specifically in support of CERF' climate action, that would otherwise not have gone to CERF.
2. While this amount is relatively limited compared to CERF's overall annual income (around 1%), it has nevertheless **been crucial in allowing CERF to demonstrate proof of concept and operationalize the CCAA, and helped strengthen CERF's 'climate profile'**. That said, to lead to meaningful change and more impactful CERF climate-action, scale is needed and **additional, predictable, and sustainable contributions to the CCAA in the coming months and years are important**.
3. **It is paramount that CCAA contributions shall be additional**, and not come at the expense of regular donor contributions to CERF. Contributions to the CCAA should thus come from financing not otherwise available to CERF. OCHA is also exploring **non-traditional funding avenues** for the CCAA, including the private sector, or – in the longer term – innovative financing initiatives such as insurance, carbon taxes and levies or the possibility of a climate-focused endowment/capital-investment fund.

V. What change has the CCAA brought about?

4. Building on the first-mover donor contributions to the account, **the CCAA has brought about real positive change** for CERF's climate action in 2024.
5. **At the advocacy level**, the CCAA has helped **increase the visibility of and advocacy for the role of humanitarian action in responding to the climate crisis**. This includes creating heightened attention to the dual benefits of climate-smart humanitarian action that not only meets immediate life-saving needs but also builds vulnerable communities' resilience and adaptive capacity to future climate shocks and stresses. This attention will ultimately lead to better humanitarian programming. This has been achieved through, amongst others, the following CCAA-related actions and benefits:
 - **Enhanced communication on, and visibility of, CERF's important climate action role** (including through climate action allocation announcements, press releases, infographics, CERF Advisory Group communications and discussions, donor briefings etc.) amplified by the introduction of a **dedicated [climate action section](#) on CERF's website**.
 - Launch of a first ever stand-alone **CERF annual report focused on its climate-action** ([2023 report on CERF-funded climate action](#)).
 - Introduction of mandatory climate information in all CERF funding proposals, for **enhanced tracking and analysis of CERF-funded climate-smart humanitarian action**, allowing for identification and dissemination of good practices.

- **Heightened field-level collective attention to climate-smart humanitarian action**, including by making it a thematic priority for the second CERF Underfunded Emergencies (UFE) Round of 2024.
 - Convening CERF-recipient UN agencies at the HQ and field levels around **strategic discussions on advancing climate-smart humanitarian action** across the wider humanitarian system.
6. **At the operational/programmatic level**, the CCAA has helped **catalyze innovative and more climate-smart humanitarian programming** by:
- Introducing mandatory climate information in all CERF project funding proposals, **aimed at not only capturing but also incentivizing (more) climate-smart humanitarian action** that helps build resilience and adaptive capacity for future climate shocks and stresses, leading to better humanitarian programming.
 - **Making possible a \$10 million dedicated climate-action funding envelope** for the second CERF Underfunded Emergencies Round of 2024, that would otherwise not have happened. The envelope will specifically support catalytic climate-smart humanitarian initiatives that will help build communities' resilience and adaptive capacity to future climate shocks and stresses. The funding envelope directly encourages and supports **innovative pilots with the potential to be scaled up, replicated or adapted to other contexts**.
 - **Supporting the scale up of anticipatory action for predictable climate-related shocks**. The CCAA has allowed CERF to consider supporting additional frameworks that may otherwise not have been feasible.

VI. What allocations has CERF made from the CCAA?

7. **The CCAA is an 'income window'**. Allocations will continue to be made through the Rapid Response (incl. anticipatory action) and Underfunded Emergencies windows in line with CERF's regular allocation processes and upholding the unearmarked principle of CERF. **CCAA funding will annually be attributed to the most relevant parts of CERF's overall climate action portfolio**. This will ensure a clear story of results, while allowing flexibility for donors in accounting for their CCAA contributions in an optimal manner according to individual priorities and requirements. In addition, **OCHA will articulate and demonstrate the added value and positive change resulting from investments in the CCAA**.
8. **The CCAA has already been instrumental in strengthening and expanding CERF's overall climate action portfolio in 2024**. The \$6.1 million in CCAA funding has for example contributed to the following climate action so far this year:
- **Piloting of a dedicated \$10 million climate action funding envelope for the second CERF Underfunded Emergencies (UFE) Round of 2024** to specifically support and incentivize climate-smart humanitarian initiatives that will help build communities' resilience and adaptive capacity to future climate shocks and stresses. Several initiatives put forward for funding are innovative pilots with the potential to be scaled up, replicated or adapted to other contexts. **This envelope would not have happened without the CCAA funding**.

- **Climate-related rapid response allocations totaling over \$152 million** (as of 1 November) – representing over 30 per cent of CERF’s total spending thus far in 2024 – supporting around 10 million people across 26 countries
- Several **rapid response allocations that in addition to meeting immediate lifesaving needs also build the resilience and adaptive capacities of affected communities** against climate shocks and stresses, for example (see additional examples in the annex):
 - In January, CERF allocated \$17 million to Ethiopia to support 680,000 people affected by drought. As part of this allocation, CERF supported the rehabilitation, preventative maintenance, expansion of existing water supply systems, water storage, and upgrading of generator systems to solar with a particular focus on health care facilities. These interventions not only ensured access to safe water during the current drought but will do so for future shocks to come.
 - In July, CERF allocated \$11 million to Nigeria to support 740,000 people facing food insecurity and malnutrition during the lean season. CERF partners are providing agricultural inputs and micro-gardening kits. They are also establishing Farmer Field Schools to build farmers’ capacities and disseminate knowledge on climate-smart agriculture, helping them cope with the current lean season and future ones.
- **Anticipatory action (AA) allocations totaling \$14.6 million in response to floods in Bangladesh, Nepal and Chad.** For example, in Bangladesh the trigger for the AA framework for floods in the Jamuna River basin was reached on 4 July. Within 16 minutes of the early warning alert, CERF disbursed \$6.2 million to mitigate the impact of the floods for the most vulnerable families. The pre-arranged CERF funds reached more than 460,000 people in the country’s north with assistance including cash transfers, water purification supplies, agricultural support, and information on gender-based violence, ahead of peak flooding.

VII. What additional climate action has the CCAA funding helped ‘buy’ in 2024?

9. While the \$6.1 million contributed to the CCAA only represents a relatively small portion of CERF’s overall annual income, it has, in addition to its advocacy and catalytic value, **provided important extra funding that will directly help CERF deliver additional climate action results in 2024.**

Illustratively, the \$6.1 million in additional funding could help ‘buy’ the following 2024 CERF climate action:

- Make possible and underwrite a significant portion of the dedicated UFE climate action envelope of \$10 million (this envelope would not have happened without the CCAA funding), or
- Cover in full either one of the three CERF AA activations so far in 2024, i.e. for floods Bangladesh (\$6.2 million), Chad (\$5 million) or Nepal (\$3.4 million), or
- Underwrite the majority of two new AA frameworks for storms in Haiti (\$4 million) and Madagascar (\$3 million), or

- Cover four per cent proportionally of all climate-related rapid response allocation so far in 2024 (\$152 million), or cover individual allocations such as for floods in DRC (\$6 million), drought in Zambia (\$5.5 million), or storms in Grenada and Jamaica (\$4 million)

Without the CCAA funding CERF may not have been able to deliver all of these (and other) 2024 climate action results in full.

ANNEX – Additional illustrative examples of CERF allocations promoting adaptation and resilience

- In January, **CERF allocated \$2.1 million to Timor-Leste** to help nearly 25,000 people get ahead of El Niño-induced drought. This allocation facilitated trainings on climate-smart farming practices and the distribution of home gardening kits. These initiatives not only helped people cope with the current El Niño episode but also enhanced their longer-term capacity to withstand future droughts.
- In April, **CERF allocated \$3 million to Madagascar** to support nearly 54,000 people affected by Tropical Cyclone Gamane. The funds supported agricultural interventions that protect livestock and trainings on climate-smart livestock management practices. These initiatives helped households cope with the impact of Gamane but also strengthened their resilience against future extreme weather events.
- In May, **CERF allocated \$5.5 million to Zambia** to support over 580,305 people affected by El Niño-induced drought. As part of that allocation, CERF supported the restoration of the production capacity of vulnerable smallholder farmers, enabling them to grow nutritious crops during both winter and summer seasons. Additionally, the funds were used to provide training on resilience-building practices to help communities better cope with future climate shocks.
- In July, **CERF allocated \$1.5 million to Grenada and Saint Vincent and the Grenadines** to help nearly 30,000 people struck by Hurricane Beryl. The funds supported the distribution of fishing gear, tools, and the repair of boats, alongside trainings on emergency preparedness, anticipatory action, and response. Additionally, the allocation provided inputs for harvest and post-harvest processing, such as knives, fish coolers, and sea moss ropes. These inputs combined with the trainings not only restore livelihoods disrupted by the hurricane but also equip communities to better withstand future extreme weather events.