



# Guidance: Dedicated climate funding envelope

## CERF Underfunded Emergencies Window: 2024-II

August 2024

- This note sets out the guidance for a dedicated climate action funding envelope of up to \$10 million complementing the regular \$100 million envelope for the second CERF underfunded emergencies (UFE) allocation of 2024.a
- Since its inception, CERF has been at the forefront of responding to humanitarian needs caused by climate-related events, by allocating over a quarter of its funding to response efforts to assist people affected by climate hazards, or by supporting anticipatory humanitarian action ahead of forecasted climate shocks. To further strengthen its climate crises response, CERF introduced a dedicated [Climate Action Account](#) in late 2023, allowing donors to channel additional finance otherwise not available to CERF, for example climate financing, through the Fund to support vulnerable people in the most fragile contexts impacted by climate change.
- This dedicated CERF UFE climate funding envelope is the first of its kind,<sup>1</sup> and it aims to further advance climate-smart life-saving humanitarian action that also builds affected communities' adaptive capacity and resilience to climate shocks and stresses.

### 1. Background

- **Climate change is a major driver of rising 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 individuals and communities in already fragile settings, which are often hit the hardest and which benefits the least from climate action.<sup>2</sup>
- As climate change compounds humanitarian needs within a shrinking funding landscape, it is imperative to address humanitarian needs in fragile contexts whilst supporting communities to cope with, and adapt to, climate change to prevent further destabilization. The [Climate and Environment Charter for Humanitarian Organizations](#) and the recently published [IASC Climate Crises Roadmap](#) articulate the humanitarian community's commitment to advocate for and support the most vulnerably communities on the frontlines of the climate crisis and to advance climate action as a central part of the humanitarian response.
- Since 2006, **CERF has been at the forefront of the climate crisis response in fragile contexts**, allocating some US\$2.5 billion – over a quarter of its funding – to save lives and support people affected by climate disasters such as droughts, floods and storms. Within its life-saving mandate **CERF also regularly supports humanitarian actions that not only save lives, but also enhance adaptation and resilience to climate change** through anticipatory action initiatives<sup>3</sup> and through response allocations.<sup>4</sup>

<sup>1</sup> CERF has previously provided other thematic UFE funding envelopes, e.g. for Accountability to Affected People, gender-based violence and disability inclusion, to help catalyze positive change in humanitarian response.

<sup>2</sup> Wong, C. (2022). [How can climate finance work better for fragile and conflict-affected regions?](#)

<sup>3</sup> To mitigate humanitarian impacts of projected climate-related shocks, CERF currently supports [anticipatory action](#) frameworks in 14 countries with a total of \$102 million.

<sup>4</sup> For instance, in 2023, through a Rapid Response allocation CERF supported 45,000 people at risk of drought-induced food insecurity in Madagascar by providing drought-resistant seeds and conducting training on climate-smart agricultural practices and technologies. These activities addressed the immediate drought-related needs of these communities and but also strengthened their capacity to better withstand future shocks. Other CERF-funded activities strengthening climate adaptation include (non-exhaustive list): light rehabilitation of WASH structures to also better withstand future climate shocks; rehabilitating water pumps and upgrading them to operate on solar power or incorporate water-saving technologies; making learning center structures climate-resilient; rehabilitating natural resource-based infrastructure through Cash for Work activities; recovering agricultural assets and livelihoods destroyed by climate shocks and protecting them against future shocks; provision of climate-smart shelter assistance.

- As the climate crises worsens, it is important to further strengthen CERF's support for impactful humanitarian climate action. As such, the Emergency Relief Coordinator (ERC) has decided to commit an **additional funding envelope of up to \$10 million** under CERF's second UFE round in 2024. This envelope is dedicated to **catalyzing additional or improved life-saving humanitarian actions that at the same time enhance the adaptive capacities and resilience of communities affected by climate shocks and stresses in already fragile contexts.**
- The climate envelope will be in addition to the regular UFE funding envelope of \$100 million. As for all CERF allocations, the expectation is that humanitarian activities under the regular UFE envelope consider climate adaptation and resilience of affected communities as relevant, in line with good humanitarian programming practice, whereas **the climate envelope will focus specifically on enhancing the climate dimension of the humanitarian response by supporting additional, dedicated actions that are catalytic in reducing climate-driven vulnerabilities in the existing emergency situations.**
- The dedicated climate-focused funding envelope has been made possible in part thanks to generous donor contributions to the newly established **CERF Climate Action Account**.<sup>5</sup> The Climate Action Account serves to scale CERF's climate-action, offering a quick, efficient and impactful avenue for climate-related finance to assist the world's most vulnerable communities facing the consequences of the climate crisis.

## 2. Scope and objectives

- The **objective of the thematic climate envelope** is to build on CERF's UFE allocation, which targets chronically underfunded complex crises, to drive individual responses and the wider humanitarian system towards climate-smart life-saving humanitarian action that also supports people's adaptive capacity and resilience to climate shocks and stresses<sup>6</sup>.
- **The aim of the climate funding envelope is to bring about change by catalyzing climate-smart initiatives that would otherwise not have happened at this time.** Funding through the envelope should advance new or best practices, or strategically enhance existing ones, in **life-saving humanitarian action that supports vulnerable communities' adaptive capacity and resilience to climate shocks and stresses.** This would lead to positive change beyond the lifespan of the CERF-funded activities.
- To be **eligible for funding, activities will need to be in line with CERF's life-saving mandate, and fall within CERF's distinct niche in the climate financing landscape.**
- CERF recognizes the importance of advancing humanitarian initiatives that mitigate the impacts of climate change and minimize the environmental impact of aid operations, with the expectation that this is a standard consideration in all CERF submissions and reflected in project proposals as relevant to ensure visibility. However, the primary focus of this specific thematic envelope is **advancing climate-smart humanitarian activities that directly benefit affected populations** by strengthening their adaptive capacity and resilience to climate shocks and stresses.
- **Applying for funds from the climate funding envelope is optional.** The Humanitarian Coordinator/Resident Coordinator (RC/HC) of each UFE recipient country should decide whether to apply for it in consultation with the Humanitarian Country Team (HCT) (or UN Country Team (UNCT), in countries without an HCT) and relevant stakeholders. To apply, a completed application template (Annex found at the end of this document) must be submitted along with the UFE allocation strategy. If the country operation decides to not apply for the climate funding envelope, the CERF secretariat should be notified, and the UFE allocation can proceed following the standard procedures; the climate funding application template should then not be submitted.

<sup>5</sup> CERF's Climate Action Account was launched at COP28. More information on the Climate Action Account is available [here](#).

<sup>6</sup> CERF's support for anticipatory action frameworks is managed separately, and thus not within the scope of this envelope.

- **Applying for funding does not imply that funds are guaranteed.** The overall amount of the special envelope, and therefore the availability for each country, is limited, and funding may have to be prioritized for proposals that best meet the criteria. **Proposals that are realistic and cost-effective in their funding ask may stand a better chance of being selected.**
- RC/HCs, in consultation with the HCT/UNCT and implementing Agencies, may consider the **following approaches to advance climate-smart humanitarian action:**
  1. **Investing in making planned CERF-funded activities more climate-smart.** Funds from the thematic envelope may be used catalytically to overcome barriers in adjusting and improving the climate sensitivity of proposed activities within existing UFE project proposals, so that they will increasingly support vulnerable communities' adaptive capacity and resilience to climate shocks and stresses. Under this approach, it will need to be clearly articulated why additional funds are required to achieve a more climate-smart response, and concretely how these funds will be used to support **additional activities or different approaches, which would not have been submitted to CERF** in the original project proposal(s). The investment should make the entire, or most of the related project(s), climate-smart and is expected to inform future program practices beyond the CERF-funded activities.
  2. **Piloting and/or scaling up innovative new approaches to climate-smart humanitarian action that meets life-saving needs while also strengthening adaptation and resilience to climate shocks and stresses.** These solutions might include new technologies, novel practices, or unique approaches – in general, or tailored to local contexts. Innovative solutions may be interwoven as activities within existing UFE project proposals or be executed as a standalone project. Should this approach be pursued, the proposal should demonstrate scalability and replicability, and be accompanied by learning and documentation, ensuring that successful innovations can be expanded and adapted to other contexts.

### 3. Eligibility Criteria

- **Only proposals that meet the following minimum criteria will be considered eligible for funding under the climate envelope.** Even when meeting these minimum criteria, funding from the climate envelope is not guaranteed as funds are limited. **Proposals must:**
  - a. Clearly demonstrate how they are facilitating **additional actions supporting crisis-affected communities' adaptation and resilience** to climate shocks and stresses, as described in section 2 (Scope and objectives), **while adhering to CERF's Life-Saving Criteria.** Only proposals that can convincingly show how they will help affected people become more climate resilient are eligible for support under this thematic envelope.
  - b. Articulate **why the additional funds from the climate envelope are needed to implement the proposed climate initiatives**, and clearly explain how the extra funds will be invested.
  - c. Be clearly and strategically situated within the climate dimension of the humanitarian context, and well contextualized and coordinated as relevant with **broader climate strategies or initiatives** in the country.<sup>7,8</sup>
  - d. Articulate **how target communities and local partners will be involved in decision-making and implementation.**
  - e. Articulate how the CERF-funded initiatives are expected to lead to **change beyond the allocation's lifespan.**

<sup>7</sup> E.g. climate-relevant sections of HNRPs, UNDAF or other country-level planning documents, strategies and/or visions; Agency and inter-Agency guidance and strategy documents such as the [IASC Climate Crisis Roadmap](#); Government plans such as [National Adaptation Plans](#); or other relevant climate commitments such as the [Climate and Environment Charter for Humanitarian Organizations](#).

<sup>8</sup> E.g. relevant to the thematic targets of the [Global Goal on Adaptation](#), as articulated in the [United Arab Emirates Framework for Global Climate Resilience](#), such as: enhancing climate resilient water supply, sanitation and access to safe water; attaining and increasing food production and supply; promoting climate-resilience health services and climate related morbidity and mortality; increasing resilience of infrastructure; and reducing climate related impacts on livelihoods and ecosystems.

- f. Be accompanied by an **HCT/UNCT commitment to learning** from the CERF-funded climate initiatives and to sharing this learning.
- g. Be **focused, strategic and cost-efficient**, maximizing impact with limited budgets.
- h. Can be fully **implemented within a 12-month period**.

#### 4. Application process for the thematic envelope

- In deciding whether to apply to the climate funding envelope, **the RC/HC should:**
  - **Consult relevant climate, sustainability and/or resilience experts from Agencies, OCHA and other partners** to ensure that the proposed activities align with the criteria and objectives of the thematic envelope and consequently meaningfully strengthen the resilience of affected people against climate shocks.
  - **Consult the HCT/UNCT** to obtain buy-in and support for the proposed use of the climate-related funding. Consultations should ensure that the activities proposed under the thematic envelope align with the envisaged overall operational prioritization and address most critical humanitarian needs.
- If decided to apply to the climate funding envelope, **the RC/HC should:**
  - Prepare **a submission consisting of an allocation strategy which describes the proposed climate-related initiative and its rationale**, including how it meets the objectives and criteria outlined above (see application template in the Annex).
  - The proposals will undergo a review at OCHA headquarters involving relevant technical experts before being presented to the ERC for consideration.
- If the ERC decides to allocate funding through the thematic envelope following the technical review of the submitted strategies, **relevant Agencies should:**
  - **Prepare and submit project proposals to CERF**, showing how the additional funding will be used to implement the approved strategy, in alignment with the objectives and eligibility criteria of the thematic envelope. This should include a detailed narrative and comprehensive financial breakdown demonstrating the added value of the additional funding making the project(s) and allocation more climate smart.
  - **Coordinate with OCHA at the field-level and the CERF secretariat** to address any comments to the proposals from CERF's technical review and finalize the proposals accordingly.
  - **Implement the activities** under the thematic envelope upon disbursement of funds.
- During and after the project implementation, **the RC/HC and Agencies should:**
  - **Report** on results and learning following conclusion of implementation.

## Annex – Climate envelope application template

Please note:

- Prior to completing the template and developing the proposal, please review the full guidance above.
- The completed template must be uploaded under the “Documents” tab of the initial allocation strategy in OneGMS. There are no word limits, but please keep the submission precise and succinct.
- If this proposal is approved, the CERF secretariat will invite Agencies to submit the full application with relevant project proposals and budgets incorporating funding from the climate action envelope and in line with the above guidance.

### I. Context

Please provide relevant information on how the climate crisis impacts the context in which this UFE allocation is to be implemented, including:

- The types of climate shocks and stresses (e.g., floods, droughts, storms) that are currently most prevalent, including their severity and frequency.
- How and to what extent do climate shocks and stresses drive humanitarian needs in the targeted areas?
- Any other relevant information

### II. Proposal for funding from special UFE climate action envelope

Please explain here the overall proposed activities, including by addressing the questions below.

1. Will the funds be used to make existing UFE project(s) more climate-smart, or support standalone initiative(s)?
2. What activities will be implemented with the funding from the climate envelope?
3. What are the geographic areas of implementation?
4. What vulnerable groups of people will be targeted, and why? How will they be targeted?
5. How will local communities and partners be involved in decision-making and implementation?
6. What are the implementation modalities proposed?
7. What are the expected humanitarian outcomes of the activities?
8. How will these activities differ from – and improve upon – existing approaches?
9. What is the **funding request (in US\$)** from the climate envelope *in addition to* the UFE allocation amount communicated by the ERC, and how will this funding be utilized?

### III. Justification for eligibility of the proposed activities

Please explain in detail how the planned activities under the climate envelope will reduce exposure or vulnerability, supporting adaptation and resilience, to future climate-related shocks and stresses for targeted individuals or communities, while also addressing life-saving humanitarian needs?<sup>9</sup>

### IV. Strategic positioning and added value of the proposal

Please explain here the expected **strategic benefits and added value** of the activities proposed under this thematic envelope, including:

1. How will these activities be leveraged to incentivize and support more climate-smart humanitarian action at the country operation level going forward?
2. How will these activities build on, and link to, existing initiatives and/or broader climate strategies in the country, particularly those focused on building resilience and adaptation (e.g., climate-relevant sections of Humanitarian Needs and Response Plans, the UN Development Assistance Framework or other country-level planning documents, strategies and/or visions; Agency and inter-Agency guidance and strategy documents; Government plans such as National Adaptation Plans; or other relevant climate commitments)?
3. If new and innovative solutions are pursued, how and to what extent are they replicable and scalable, and how and to what extent can these solutions be adapted and expanded into other contexts?
4. Does the proposed strategy in promoting climate resilience and adaptation through this CERF allocation complement or build on similar efforts supported by the Country-Based Pooled Fund or a Regional Humanitarian Fund? If so, how?
5. Any other relevant information

<sup>9</sup> To address this question, the adaptation-relevant segments of the [OECD DAC Rio Markers for Climate Handbook](#) may be consulted, along with resources from the UNFCCC, IPCC, such as their [glossary](#), and other relevant UN and non-UN resources, such as the IFRC and Red Cross Red Crescent Climate Centre's [Guide to climate-smart programmes and operations](#).