

# Adaptation financing

Current status  
Future opportunities



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## Background: UNFCCC

# Greenhouse gas mitigation



Adaptation

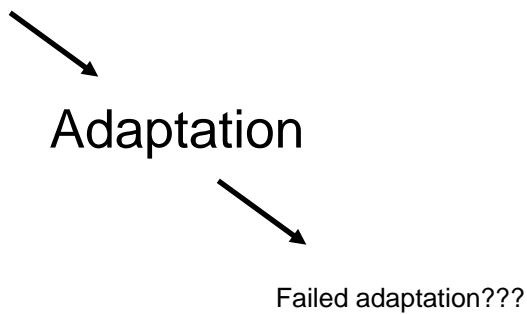


Failed adaptation???

## Background: UNFCCC

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# Greenhouse gas mitigation



## Current funds: UNFCCC

- Global Environment Facility (GEF)  
(small part out of a bigger fund, environment-focused)
  - Special Climate Change Fund (SCCF)  
(90 million)
  - Least Developed Countries Fund (LDCF)  
(172 million)
- All voluntary contributions
  - Donor-controlled
  - Mostly grants to governments
  - Mostly as individual projects

## **Current funds: Kyoto Protocol**

### **- Adaptation Fund (few 100 million)**

- funded by tax on emissions trading
- separate board with developing country majority
- modalities to be decided

## **Current funds: bilateral**

- a host of adaptation programs and projects
- increasing attention on screening and integration

## Current funds: multilateral

- a host of adaptation programs and projects
- increasing attention on screening and integration
- major funding channel: **Pilot Program on Climate Resilience (PPCR)**, part of Climate Investment Funds (CIFs) by World Bank,
  - US\$ 600 million for 10 countries
  - Integration into national planning
  - Budget support mode?

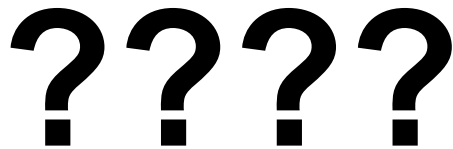
## Progress

- much more funding
- much more flexibility
  - (from adaptation to climate risk management)

## Problems

- climate agenda still largely driven by environmentalists
- mostly in stand-alone, project-based mode
- lack of local engagement

## The future after Copenhagen (december 2009)



- uncertainty about levels of funding
- uncertainty about funding modalities
- uncertainty about conditionality/accountability
- uncertainty about who will manage the funds

## Key concerns for risk management in post-Kyoto adaptation financing (1)

### 1a) Copenhagen deal: substance elements

- markers on risk management
  - markers for attention for the most vulnerable people
- (and how about failed adaptation?)*

### 1b) Copenhagen deal: process elements

- getting the right institutional setup for financing
- avoiding past mistakes on implementation mechanisms

## Key concerns for risk management in post-Kyoto adaptation financing (2)

### 2) Getting ready at national and subnational level

- organizing national and local capacity for engagement in national adaptation planning (including internal allocation of funds)
- enhancing capacity for implementation of risk reduction

Thank you!

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