

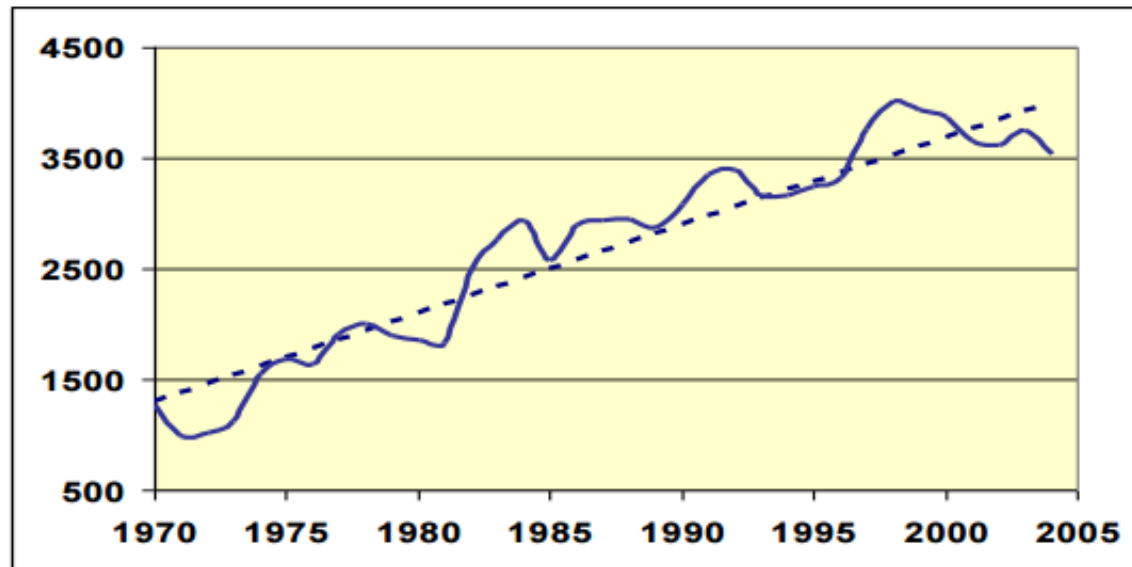
Adaptation Finance

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Rising global probability of being affected by an extreme climate event

Figure 1: Global Climate Risk, 1970–2008: Probability of Being Affected by an Extreme Climate Event* (Per 100,000)

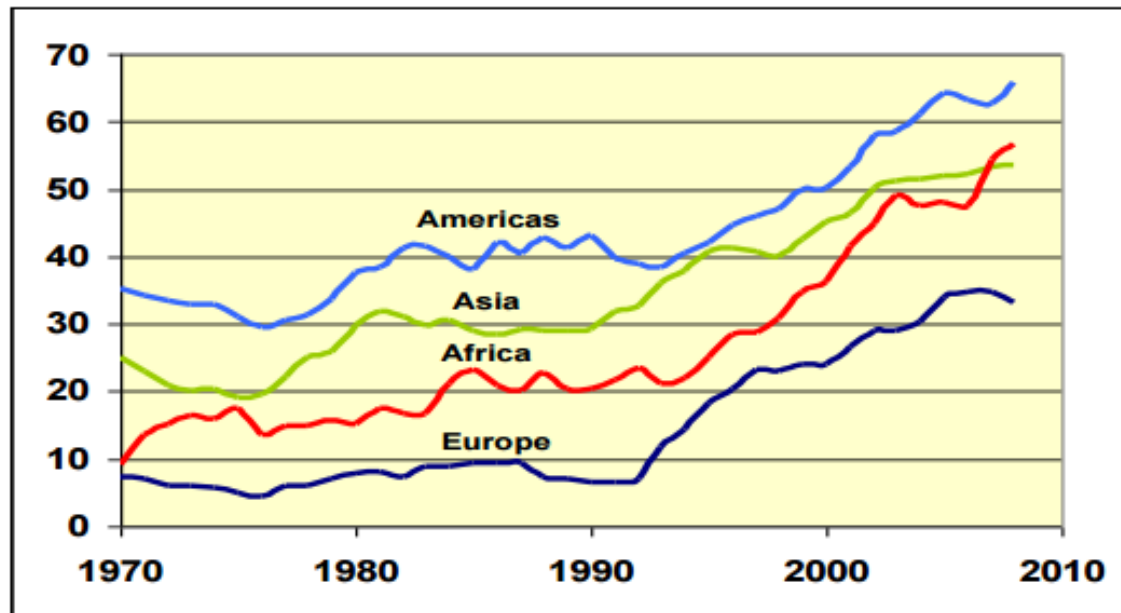


* Eleven-year centered moving average; trend estimated by Prais-Winsten (AR 1)

Data source: EM-DAT (2010)

Rising number of countries affected by natural disasters

Figure 2: Percent of Countries with Extreme Weather Impacts, 1970–2008*



* Five-year moving average

Data source: EM-DAT (2010)

Current resources for adaptation

- World Bank estimates cost \$70-100 billion/year 2010-2050
- Between 2004-2013: \$2.7 billion deposited in multilateral adaptation funds
- Cancun (2010): Commitment to mobilize \$100 billion per year by 2020 for mitigation and adaptation
- As of September 2015: \$10.2 billion pledged to the Green Climate Fund (of which \$5.8 billion signed)



A delicate balance

Recipient perspective:

- Right to fair compensation
- Need for sovereign decision-making: 'ownership'



Donor perspective:

- Need for effective allocation of funds
- Accountability to taxpayers

Obligation of funders: “causal responsibility”

- Contributions based on:
 - historical, current, and near-term projected greenhouse gas emissions
 - per capita income (ability to pay)
- Collective funding pool to minimize fragmentation and provide predictable coverage for all

Allocation across recipients: “entitlements”

- Entitlement for all countries below given income threshold
- Allocations based on:
 - Physical vulnerability (extreme weather events, sea level rise, agricultural productivity loss, etc.)
 - Institutional vulnerability: Income per capita

IDA eligible countries most threatened by climate change

Extreme weather threat

Country	Rank
Bangladesh	1
Vietnam	2
Somalia	3
Sudan	4
Ethiopia	5

Sea level rise threat

Country	Rank
Djibouti	1
Maldives	2
Guyana	3
Liberia	4
Vietnam	5
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Bangladesh	8

Agricultural productivity loss threat

Country	Rank
Central African Rep.	1
Rep. of the Congo	1
Sudan	3
Senegal	4
Burundi	5
Rwanda	5
Zambia	5

Allocation across recipients: low-income countries

Country	Vulnerability Ranking	Project Concerns Ranking
Myanmar	1	11
Bangladesh	2	1
Ethiopia	3	2
DRC	4	8
Somalia	5	46
Sudan	6	5
Afghanistan	7	23
Burundi	8	24
Vietnam	9	3
Nigeria	10	4
Zimbabwe	11	37
Tanzania	12	6
Niger	13	12
Malawi	14	9
Uganda	15	7
Nepal	16	13
Madagascar	17	10
Rwanda	18	16
Mozambique	19	15
Eritrea	20	44

Access of recipient countries

Two approaches depending on fiduciary capacity

- 1) With adequate capacity:
 - access with submission of three-year adaptation plan

- 2) Without adequate capacity:
 - three-year adaptation plan; AND
 - proposal for a third party to manage and implement the plan

Management of funds

- Funds transferred annually
- If annual entitlement not transferred, it is returned to the pool after 3 years
- Implementation can be outsourced to certified third parties by all eligible countries
- Funds may be used for a diverse set of programs, incl. direct cash transfers

Governance & Transparency

Adaptation Committee of the UNFCCC, Adaptation Fund or GCF as suggested disinterested group to determine:



- Fiduciary capability threshold
- Eligibility of third-party implementers (like eligibility for direct access)
- Review obligation and allocation formulae
- Publish data on transfers

Outsourced to other expert group/agency:

- Approval of adaptation plans

Thank you.