

DT TOOLKIT

Funding climate change adaptation: Tools for advocates on the road to COP26



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SEEK DEVELOPMENT

In November of 2021, the UK will host delegates from around the world at the 26th United Nations (UN) Climate Change Conference of the Parties (COP26). After 18 months dominated by COVID-19, this conference represents a critical moment to reengage the global community on the climate crisis.

COP 26 has a packed [agenda](#). All signatory countries are being asked to put forward ambitious targets for emission reductions by 2030 to enable the world to reach net-zero by 2050. World leaders will also evaluate their progress against previous climate agreements such as the unmet commitment of high-income countries to mobilize [US\\$100 billion](#) in climate finance per year by 2020 and deliberate on new targets. Delegates are also being asked to finalize the Paris Rulebook to finally ensure its full implementation, six years on from the original signing of the Paris Agreement.

On top of these important agenda points, delegates urgently need to agree on how to increase financial support to communities around the world to adapt to the impacts of climate change. The plethora of extreme weather events seen around the world in the last few months should serve as a reminder to everyone that investing in climate change mitigation alone is no longer a sufficient response to this crisis. Climate change is now “[wide-spread, rapid, and intensifying](#)” and its impacts are being felt in every inhabited region of the world; July of 2021 was [earth’s hottest month ever recorded](#), record-breaking [floods](#) devastated areas of Western Europe and China, and [wildfires](#) raged in the sub-Artic. As the latest report of the International Panel on Climate Change (IPCC) makes clear, many of these changes are both “unprecedented” and “irreversible” over a very long timescale meaning that we must adapt to them.

The Paris Agreement recognized that adaptation is an integral part of the global response to climate change. It established a [global goal on adaptation](#) committing “to enhance adaptive capacity and resilience” and “to reduce vulnerability, with a view to contributing to sustainable development”. According to the latest [UN Envi-](#)

[ronment Programme Adaptation Gap Report](#), countries are making progress on embedding adaptation into their national policy and planning. In 2020, [72%](#) of countries had adopted at least one national-level adaptation planning instrument; however, implementing these plans requires funds and, unfortunately, the costs of adaptation are growing faster than the financing. Annual adaptation costs in low- and middle-income countries are expected to [increase](#) from US\$70 billion in 2020 to between US\$140 billion and US\$330 billion in 2030, before rising to the range of US\$280 billion to US\$500 billion by 2050. Although global financing for adaptation has increased, it remains far below the levels required to confront the scale of the problem. The Climate Policy Initiative tracked only [US\\$30 billion](#) of annual financing for adaptation globally on average in 2017/18, compared to US\$537 billion for climate mitigation. The vast majority of this funding came from public actors and was invested domestically. Official Development Assistance (ODA) makes up only a small component of this funding but, as argued in this piece, **there are compelling arguments for why donors should be doing more.**

While the global community has been busy making commitments and signing agreements, our climate has continued to change and the damage to ecosystems, livelihoods, and global health security now represents an additional cost that must be addressed. With so many low- and middle-income countries among those worst affected, it is now more important than ever that donor countries step up their support for these at-risk communities.

This Donor Tracker ‘Toolkit’ is intended to support advocates in the lead up to COP26, as they make the case for why donors should do more to fund climate change adaptation through their ODA. It contains three parts:

1. The baseline: Summary of donors’ bilateral oda for climate change adaptation from 2010-2019

This analysis of data from the Organisation for Economic Co-operation and Development (OECD) provides a snapshot of ODA flows from donor countries for climate

change adaptation between 2010 and 2019. It shows that donors' commitments to climate change adaptation in absolute terms and as a proportion of their bilateral development efforts is small and not increasing at the pace required to support ODA-eligible countries in adapting to the significant impacts of climate change.

2. Cases for investment: Compelling arguments for why donors should increase financing for climate change adaptation

Although we don't yet have funding data from 2020 and 2021, given the historical trends up until 2019 and the magnitude of emerging challenges caused by the COVID-19 crisis in the intervening years, it is safe to say that donors' should be doing more to support ODA-eligible countries to meet the scale of the climate change adaptation problems they face. As the impacts of climate

change intensify, it is more important than ever that in 2021 and beyond, donors turn their attention back to the climate crisis. This tool sets out four broad and inter-linked ways advocates could frame their push for more concessional financing for climate change adaptation from donors.

3. The outlook: Overview of donors' commitments and priorities in the lead up to COP26 and beyond

With an eye to the future, this resource highlights G7 donors' priorities for climate change adaptation and gives an overview of commitments related to climate change adaptation made so far in 2021. This information is intended to support advocates in identifying entry points in conversations with donors' governments ahead of and after COP26.

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THE BASELINE:

Summary of donors' bilateral ODA for climate change adaptation from 2010-2019

This resource is intended to provide advocates with information on how bilateral official development assistance (ODA) is being used to fund climate change adaptation in ODA-eligible countries. This analysis focuses exclusively on concessional bilateral financing of climate change adaptation to assess the degree to which donors are incorporating climate change adaptation objectives into the activities they fund directly.

It should be noted that donors' bilateral financing for climate change adaptation is just one small contributor to the larger pot of international climate finance (which includes private and public, concessional, and non-concessional, and domestic and international flows). As well as bilateral funding, donors also provide concessional funding for climate change adaptation through multilateral channels. The multilateral development bank (MDB) methodology for tracking and reporting on commitments to climate finance is more granular than the OECD DAC policy markers meaning it only counts the component of the project that directly relates to adaptation. According to the latest annual joint report of the MDBs, major MDBs provided US\$13.3 billion of climate finance to low- and middle-income countries in 2020 including both concessional and non-concessional financing.

As set out in the Donor Tracker's previous [analysis](#) of climate finance, bilateral concessional financing for climate change can be estimated using the Organisation for Economic Co-operation and Development's (OECD's) Rio markers for climate (see Box: 'The OECD DAC Rio markers for climate'). This analysis focuses on donor countries' bilateral programable ODA derived from the OECD's Creditor Reporting System (CRS).

Only 15% of donors' bilateral allocable ODA targets climate change adaptation

In 2019, DAC donors committed US\$19.6 billion in bilateral allocable ODA to projects that have been marked with the principal or significant marker for climate change adaptation (see Figure 1).¹ US\$8.3 billion or 40% of this was also tagged with the climate change mitigation marker indicating projects with dual mitigation and adaptation objectives. Since 2010, total funding for climate change adaptation projects has increased from US\$8.0 billion to US\$19.6 billion, a 145% increase in nine years but from a very low base. As a proportion of total bilateral allocable ODA, funding for projects explicitly "[formulated or adjusted](#)" to account for climate change adaptation objectives has increased from 7% in 2010 to 15% in 2019, demonstrating some increase in mainstreaming of climate change adaptation objectives into DAC donors' bilateral development efforts.

However, the increase in bilateral ODA targeting climate change adaptation has largely been driven by increases in funding for projects that "significantly" rather than "principally" target climate change adaptation. In 2019, only US\$5.1 billion in funding went to projects which were marked with the principal marker, indicating that they were undertaken with climate adaptation as a fundamental or explicit goal, only US\$2 billion more than when the OECD started tracking adaptation flows in 2010 (see Figure 1). These principal sums represent just 7% of the US\$70 billion (total, including domestic flows) estimated in the [UN Environment Programme Adaptation Gap Report](#) to be needed annually by 2030 for low- and middle-income countries to adapt to the impacts of climate change.

Both the total and principal figures presented above are also likely to be an overestimation of the volume of funds donors have mobilized through ODA for climate change adaptation for two reasons. First of all, while most DAC donors [use the Rio markers](#) when reporting on their fi-

The OECD DAC Rio markers for climate

The Rio markers for climate (adaptation and mitigation) in the OECD DAC CRS are an important source of information on the degree to which ODA and Other Official Flows target climate action.

The OECD DAC has been tracking bilateral ODA financing for climate mitigation since 1998 but only introduced the adaptation policy marker in 2010. Donors apply the climate change adaptation marker to activities that support recipients in responding to and anticipating the impacts of climate change, for example, crop diversification or adapting to rising sea levels.

Each marker has three possible scores:

- **Principal:** for projects in which climate change adaptation is a fundamental and explicitly stated goal. This score applies to activities that would not have been undertaken or designed in that way except for the explicit objective of climate adaptation.
- **Significant:** for projects in which climate change adaptation is not a key driver but is still an explicitly stated goal. This applies to projects which are not principally undertaken in pursuit of climate objectives, but which have been explicitly 'formulated or adjusted' in support of climate objectives.
- **Not targeted:** applies to projects which do not include climate change adaptation objectives. According to the OECD's handbook, this should include projects where climate objectives are 'extremely limited' or 'superficial' with respect to the project's overall intent.

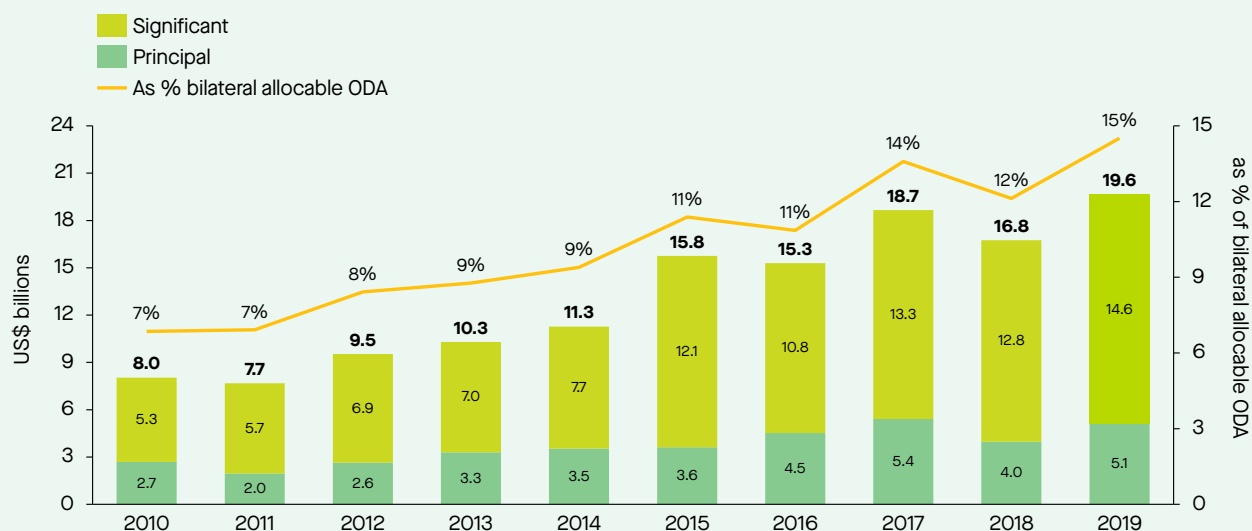
Funding for projects not screened against the Rio markers falls into the 'not screened' category.

Given the qualitative and self-reported nature of scoring activities, there is a degree of subjectivity in how donors mark and score activities. To mitigate this, the OECD provides criteria for eligibility against the markers and examples of qualifying activities and scoring rationale by sector. In addition, the DAC secretariat intermittently reviews of donors' submissions to improve the consistency of reporting.

Source: [OECD DAC Rio Markers for Climate Handbook](#)

1. OECD climate-related development finance data are reported on a commitment basis. Commitments are recorded in the full amount of expected transfer irrespective of the time required for the completion of disbursements and provide a good indicator of providers' current allocation practices.

Figure 1. Total bilateral allocable ODA for climate change adaptation
DAC donors*, US\$ billions



Source: Based on OECD CRS (activity-level data). Commitments; 2019 prices *30 DAC members

Note: Rio markers are not applicable to flows for general budget support, imputed student costs, debt relief except debt swaps, administrative costs, development awareness, and refugees in donor countries, these flows are thus excluded from the estimated figures.

nancial commitments in support of the UNFCCC, there is a degree of subjectivity in how donors mark and score activities. As pressure to fund adaptation increased following the Paris Agreement, donors may have chosen to tag more existing projects with the adaptation marker, making it seem like funding was rising more than it was in reality. A Center for Global Development [analysis](#) of the climate mitigation marker found some evidence of this, suggesting that the upward trend of ODA for adaptation should not be taken at face value. Secondly, despite their use in UNFCCC reporting, the OECD policy markers were not designed to be a quantitative measure of flows as they tag and count funding at the project level, meaning that the whole value of a project is counted even when only a subsection of the funding is actually devoted to climate change adaptation. For example, in 2019, a total commitment of US\$953 million by EU Institutions towards health, protection, socio-economic support, and municipal infrastructure under the Facility for Refugees in Turkey was tagged and counted as climate change adaptation ODA even though it is unlikely that the full value of this project was, in fact, relevant for climate change adaptation.

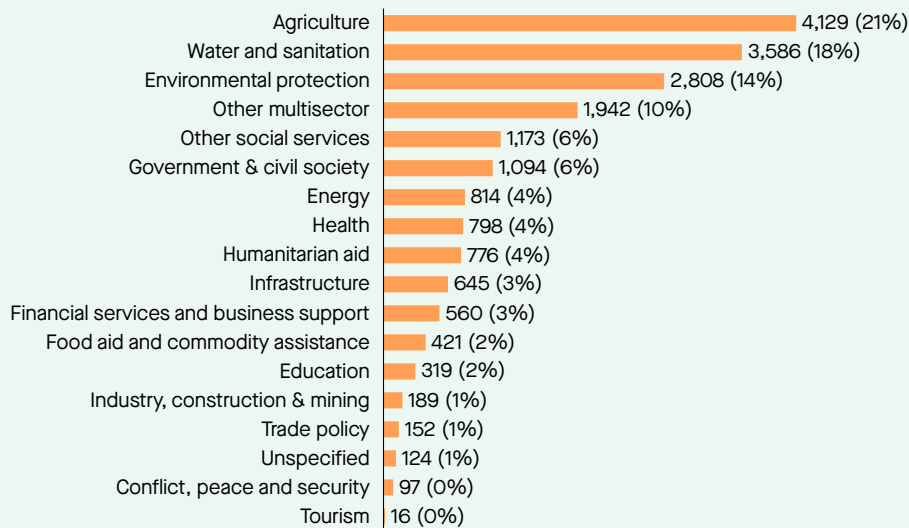
Just over half of climate change adaptation funding focuses on projects in three sectors: agriculture, water and sanitation, and environmental protection

In 2019, activities in the agriculture sector attracted the largest share (21%) of DAC donors' commitments to climate change adaptation. This includes activities related to agricultural development, agricultural policy and administration, and forestry policy and administration, which collectively accounted for half of the US\$4.1 billion in adaptation funding to the sector. Water and sanitation (18% or US\$3.6 billion), and Environmental protection (14% or US\$2.8 billion) accounted for the second- and third-largest share respectively. More than half (55%) of funding to water and sanitation was committed towards large-systems water supply and sanitation.

Integration of climate change adaptation objectives is highest in projects focused on environmental protection, water and sanitation, and agriculture

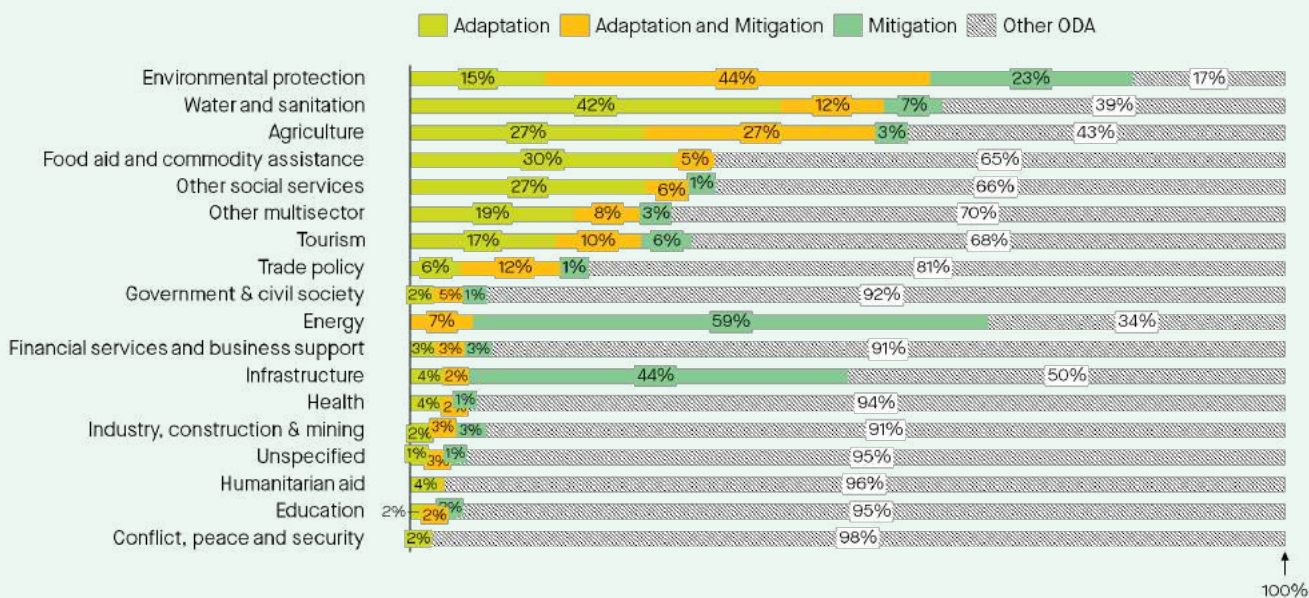
Absolute levels of adaptation funding to a specific sector give only a partial picture of the degree to which donors

Figure 2. DAC Donors' climate change adaptation-related ODA by sector, 2019
 DAC donors, US\$ millions



Source: Source: OECD CRS (activity-level dataset).

Figure 3. DAC donors' climate change adaptation-related ODA by sector and focus areas, 2019
 DAC donors, US\$ millions



Source: OECD CRS (activity-level dataset). Commitments; 2019 prices. *Includes forestry, fishing, and rural development

have explicitly integrated climate change adaptation objectives within a sector. To understand donors' sector-specific emphasis on climate change adaptation more fully, it is also interesting to look at adaptation funding as a proportion of the total ODA the donor is providing to a sector.

The degree of integration of climate change adaptation objectives varies among recipient sectors (see Figure 3). The share of total funding marked with the Rio marker for adaptation ranged from more than 50% in sectors such as Environmental protection (59%), Water and Sanitation (54%), and Agriculture (54%), down to less than 10% in sectors like Infrastructure (6%) and Conflict peace and security (2%). In the case of infrastructure, in particular, this is surprisingly low given the imperative of ensuring that investments in this sector are resilient to extreme weather events.

The environmental protection sector has a notable amount of funding marked as having both an adaptation and mitigation focus, including US\$508 million (or 25%) marked as principally targeting both issues. This includes projects which focus on institutional reforms and strengthening to include climate aspects in policies and regulations.

Some of the ODA funding that is not marked with the climate change adaptation marker could be supporting wider resilience, for example, investments in building new hospitals are unlikely to justify a significant adaptation marker but they can help to build resilience to the impacts of climate change as they form an essential part of the health care response required to address climate emergencies.

Only about one-quarter of climate change adaptation funding is allocated to countries with the highest level of vulnerability

Overall, in 2019 65% (US\$12.7 billion) of DAC donors' bilateral ODA targeting adaptation was allocated to individual countries, while the remaining 35% (US\$6.9 billion) was allocated at a regional level or for multiple countries. Middle-income countries were the primary recipients of climate change adaptation funding allocable to individual countries, with 42% of the US\$13 billion going to lower-middle-income countries (LMICs), and 35% to upper middle income (UMICs). Only 23% went to low-income countries. The top five recipients of funding were Turkey (US\$1.2 billion), Ethiopia (US\$554 million), India (US\$545 million), Indonesia (US\$505 million), and the Philippines (US\$471 million; see Figure 4). Collective-

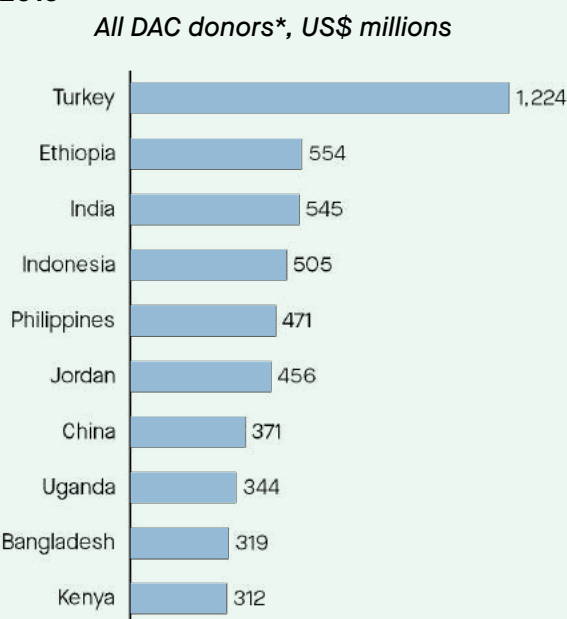
ly, they received 26% of DAC donors' bilateral adaptation funding to individual countries.

In 2019 only 25% of bilateral ODA for adaptation was allocated to countries with the highest level of vulnerability to climate change (i.e., the uppermost quartile of countries, based on vulnerability scores as measured by the [Notre Dame Environmental Change Initiative](#)). This indicates only a weak correlation between funding for climate change adaptation and partner countries' vulnerability to climate change and might suggest that the vulnerability of the recipient countries has a limited effect on the bilateral allocation of adaptation finance. Turkey, for example, was the largest recipient of bilateral adaptation funding in 2019 but ranked as one of the least vulnerable to climate change, only above Kazakhstan, Kyrgyzstan, Belarus, and Chile.

EU Institutions and Germany are the largest donors to climate change adaptation

According to OECD data, the largest donors of ODA targeting climate change adaptation in absolute terms in 2019 were the EU Institutions (US\$4.7 billion), Germany (US\$4.6 billion), France (US\$2.6 billion), United Kingdom (US\$1.5 billion), and Netherlands (US\$1.2 billion). Collec-

Figure 4. Top 10 recipient countries of DAC donors' bilateral adaptation-related ODA, 2019



Source: OECD CRS (activity-level dataset). Commitments; 2019 prices. *30 DAC members

tively, commitments from these donors account for 75% of total bilateral climate change adaptation funding from all DAC members.

Donors vary considerably on the proportion of their bilateral ODA portfolios that they devote to climate change adaptation. While the **Netherlands** is only the fifth-largest DAC donor to climate change adaptation in absolute terms, it committed 34% of its overall allocable ODA in support of climate change adaptation in 2019, making it the best performing DAC donor in relative terms (DAC average: 15%). **Belgium** (33% of bilateral allocable ODA), **Iceland** (32%), and **Sweden** (27%) also demonstrated a strong commitment to using their bilateral ODA to invest in projects related to climate change adaptation.

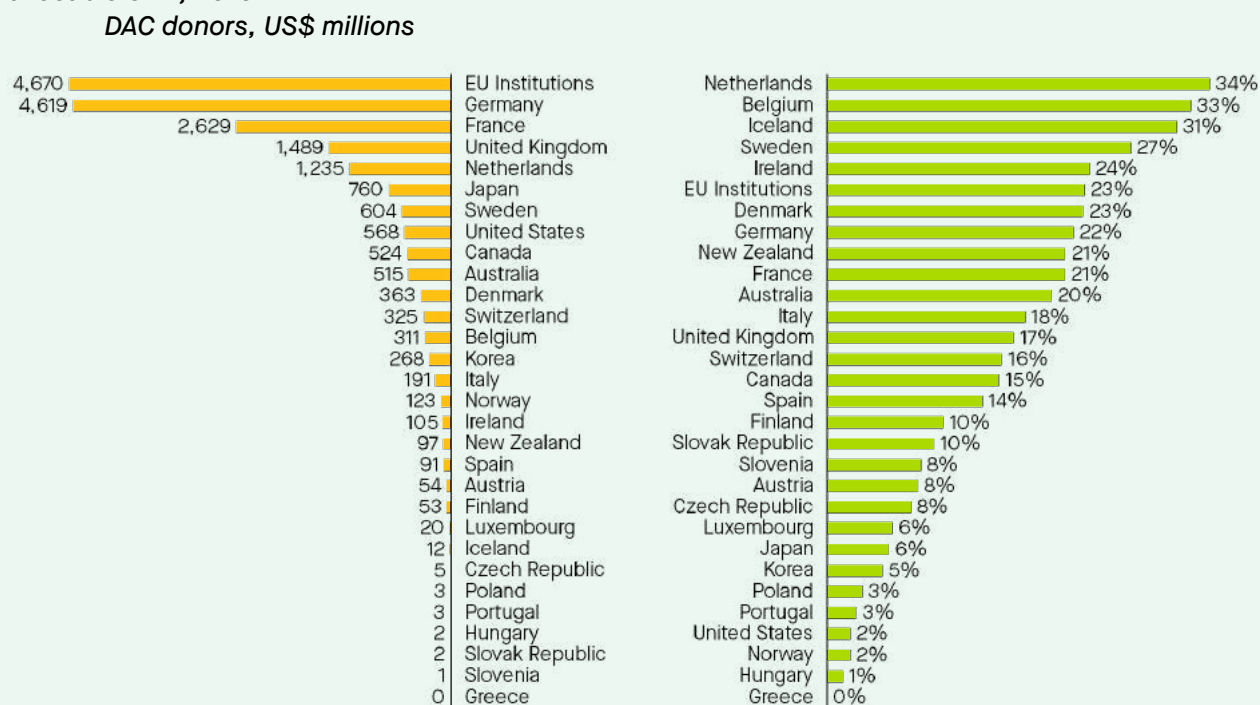
EU Institutions' ODA commitments to climate change adaptation doubled to US\$4.2 billion in 2016 following the Paris Agreement in the previous year. Since 2016, the EU's commitments made to climate change adaptation continued its upward trajectory, reaching US\$4.7 billion in 2019. This represents 23% of their total bilateral allocable ODA, above the DAC average of 15%. In its strategy on climate change adaptation, adopted in February 2021, the EU Commission outlines its plan to scale up resources and intensify its support for climate change adapta-

tion in partner countries. It also commits to making the EU's external investments and actions "climate-proof", which should imply a significant increase in the degree of adaptation mainstreaming in its ODA programming.

Germany's commitment to climate change adaptation has been on the rise since 2016. At the G7 summit in June 2021, it committed to increasing the budget allocations for international climate finance from the current level of around €4.0 billion (US\$4.8 billion) to €6.0 billion (US\$7.2 billion) annually by 2025, at the latest. However, details of the pledge remained vague. The new commitment also did not include a promise to earmark 50% of all climate finance in support of adaptation by 2025, despite repeated calls from NGOs for the government to set this target.

Japan has historically been a significant donor to climate change adaptation, committing between US\$1.4 billion to 3.6 billion a year (10-23% of DAC donors' total bilateral funding) to adaptation in the period 2010-2018. However, Japan's commitment dipped in 2019 to only US\$760 million (only 4% of DAC donors' adaptation-related funding). Japan has a much stronger emphasis on funding climate change mitigation projects, focusing in particular, on projects related to low-carbon infrastructure and energy.

Figure 5. DAC donors bilateral ODA targeting climate change adaptation and as % of bilateral allocable ODA, 2019



Source: OECD CRS (activity-level dataset). Commitments; 2019 prices.

Although the largest absolute donor of development assistance, the US provides relatively little ODA (2% of its bilateral allocable ODA in 2019) in support of climate change adaptation. In the two years following the Paris Agreement, it committed an average of US\$1.0 billion (2016-2017 average) in ODA to adaptation; however, in the subsequent two years, its commitments dropped by nearly 50% to US\$516 million (2018-2019 average) following President Donald Trump's announcement of his plan to withdraw the country from the Paris Agreement in June 2017. In 2021, this decision was rescinded by President Joe Biden, who has made climate change one of his top foreign policy priorities. As part of his [International Climate Finance Plan](#), Biden committed to increasing US funding for international climate finance, including tripling adaptation finance by 2024. This renewed engagement from the US is expected to lead to increases in ODA-related funding for climate change adaptation.

Conclusion and recommendations

As this analysis of the latest OECD data shows, donors could do more to ensure that adequate financing is available to catalyze adaptation efforts in low- and middle-income countries. 2020 was meant to be a “[critical year for addressing climate change](#)” as countries submitted their first, post-Paris Agreement Nationally Determined Contributions (NDCs); however, the COVID-19 crisis absorbed unprecedented levels of attention and funds from the global community meaning that this attention did not materialize. According to the OECD's preliminary estimates, [US\\$12 billion](#) in ODA went to COVID-19 related activities in 2020 but overall ODA volumes rose by only [3.5%](#) in real terms compared to 2019, implying that donors took funding from existing programs to finance their COVID-19 related activities. While data is not yet available for 2021, the urgent nature of the COVID-19 crisis likely continued to distract donor attention from critically important but less immediately salient issues like climate change adaptation. As COP26 finally happens and the acute phase of the pandemic hopefully ends in donor countries, OECD donor countries have a responsibility to ensure that their development efforts support a climate-resilient global recovery. Concretely, donor countries should consider the following:

- 1. Increase funding for projects that principally target climate change adaptation.** Principal funding for climate change adaptation has fluctuated between US\$3.5 billion and US\$5.4 billion since 2014 despite the Paris Agreement commitments to do more. Annual adaptation costs in low- and middle-income countries are expected to double by 2030 and increase by up to five-fold by 2050. At a minimum, donors should commit to growing their principal funding for adaptation at least to the level of what they spend on mitigation (US\$9 billion in 2019), and then ensure that their principal funding increases in line with the rising costs facing these countries.
- 2. Increase mainstreaming of climate objectives into bilateral development efforts.** As this analysis reveals, only 15% of donors' bilateral funding has been [explicitly formulated or adjusted](#) to incorporate climate change adaptation objectives. This suggests very low levels of climate change adaptation mainstreaming in some client critical sectors such as infrastructure, implying that there is significant room for improvement. Given the cross-cutting nature of climate change adaptation, donors must ensure that their programming systematically considers and incorporates climate change adaptation objectives where appropriate.
- 3. Ensure that donor financing for climate change adaptation targets the most vulnerable countries and populations.** Given the scale of the financing required now and in the coming decades to support countries adapt to the impacts of climate change, thoughtful and strategic allocation of the scarce resources available is key. This analysis found a weak correlation between countries' vulnerability and the volume of climate change adaptation they are receiving, indicating that donors need to do a better job of making sure that their financing is targeted to the areas where it can have the greatest impact, including to the countries and populations who are most vulnerable to the impacts of climate change.
- 4. Tailor bilateral funding for climate change adaptation so that it helps to catalyze other flows.** Domestic and private financing is going to have to play a critical role

in closing the significant climate adaptation financing gap. Donors should ensure that their bilateral portfolios are helping to create an enabling environment for other flows including through investments to de-risk projects or in support of climate risk and vulnerability data.

5. Ensure financing for climate change adaptation is new and additional. While financing for climate change adaptation is essential, other climate and development objectives have not gone away. As the Paris Agreement sets out, it is critical that new financing for climate change adaptation does not come at the cost of funding to other areas; donors should provide ODA for

climate change adaptation on top of funding for other development efforts.

6. Donors should commit to an ambitious and measurable target for scaling up ODA-related climate change adaptation finance. The challenge of measuring progress against the Paris Agreement US\$100 billion target demonstrates that complicated or vaguely defined targets obscure accountability and are less effective at driving action. As part of COP 26, donors should agree on what they mean by “new and additional” ODA-related funding for climate change, and commit to bold and clear targets, including for climate change adaptation.

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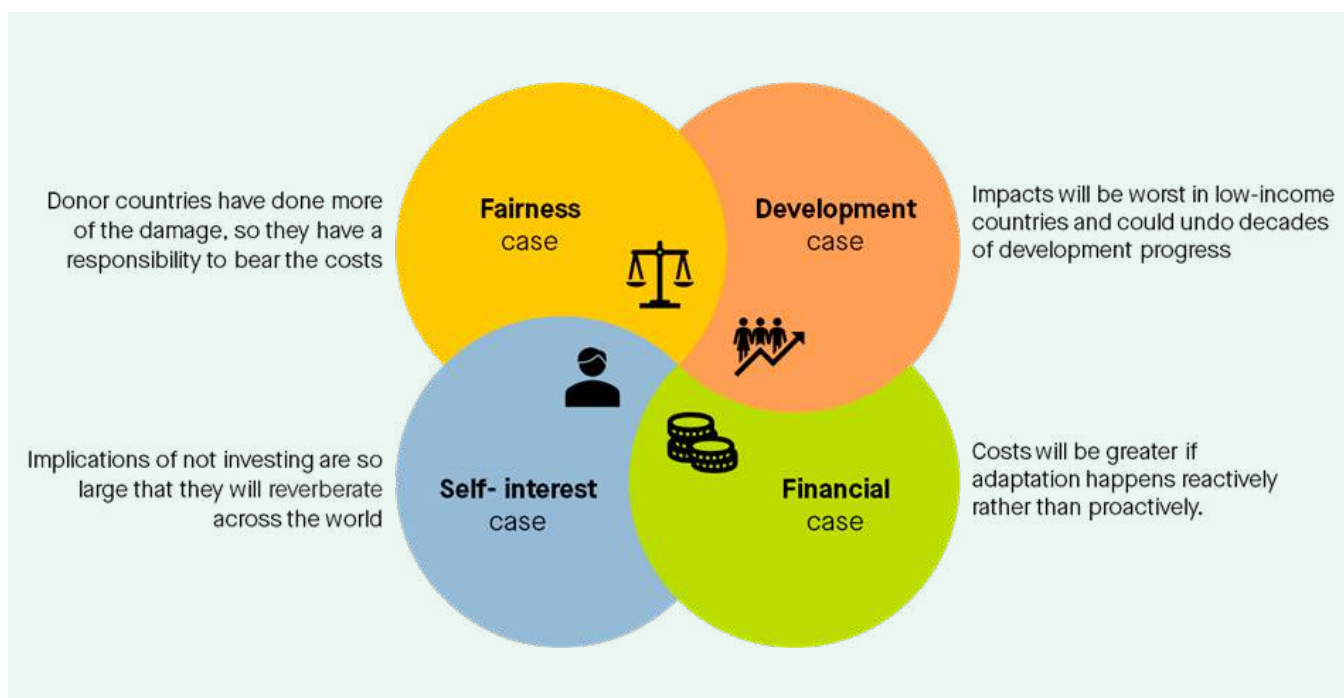
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CASES FOR INVESTMENT:

Compelling arguments for why donors should increase financing for climate change adaptation

Donors have an important role to play in ensuring that climate change adaptation efforts in low- and middle-income countries are adequately financed. This advocacy 'cheat sheet' sets out four broad and inter-linked arguments for why donor governments should provide concessional financing for climate change adaptation in ODA-eligible countries, including the 1) fairness case, 2) development case, 3) financial case, and 4) self-interest case.



Fairness case: High-income countries are to blame for a larger share of the damage done to the climate, therefore they have a responsibility to bear some of the climate change adaptation costs in low- and middle-income countries.

Greenhouse gases stay in the atmosphere for between 300 and 1,000 years, meaning that some of the warming we are experiencing today is a result of the activities of our great-grandparents' generation. The countries that industrialized first are therefore disproportionately responsible for the changes in the climate that are affecting us all today.

Despite decades of calls to action to reduce emissions, this inequality in contribution to climate change persists. Oxfam and the Stockholm Environment Institute estimate that between 1990 and 2015, the poorest 50% of the world's population consumed only 4% of the available global carbon budget (or the total amount of additional CO₂ emissions that can be released without average temperatures rising above a threshold) compared to 9% used by the richest 1%. This negative externality of historical and current emissions means it is only fair that DAC donors scale

up concessional financing to compensate for the adaptation challenges that they are disproportionately responsible for causing.

The irony is that the countries that contributed the most, stand to be the least affected; according to the Swiss Re Climate Economic Index which accounts for countries capacity to cope with and their exposure to climate risk, the US, Canada, and Germany are among the ten countries least vulnerable to the effects of climate change.

The inequity in responsibility for climate change has and continues to be a major impediment to global coordination on this issue. Without more financial recognition of the additional responsibility borne by donor countries, it will remain difficult for the global community to unite around the collective action urgently needed to prevent a climate catastrophe.

Development case: Climate change could undo decades of development progress since the most vulnerable countries and populations are bearing the brunt of its impacts.

Southeast Asia, the Middle East, and Africa — the regions of the world with the [largest number](#) of people living below the international poverty line — are expected to be the most affected by climate change. Climate change represents a significant additional hurdle to the development challenges they already face. If temperatures rise by two degrees Celsius compared to pre-industrial times, by mid-century, Association of Southeast Asian Nations (ASEAN) economies could [suffer](#) 17% losses to their gross domestic product (GDP), and the Middle East and Africa 14%. This points to the futility of efforts to promote economic development in these regions while neglecting to invest in climate change adaptation. (The economic loss to countries in Europe is expected to be 8%.)

Within countries, the impacts of climate change tend to exacerbate poverty and compound social inequality. The impacts of climate change are disproportionately felt by the poor who tend to be most reliant on natural resources and generally have more limited capacity to adapt to changes in the environment.

Already more than [132 million](#) of the global poor live in areas prone to flooding. Higher temperatures increase their risk of having their livelihoods destroyed. [Women](#) are especially vulnerable; they make up about [70% of the world's 1.3 billion](#) people living in poverty and are less likely to own land, control decision-making structures, or have access to technology and training that might enhance their ability to adapt to the impacts of climate change. By 2030, the World Bank estimates that an additional [32 to 132 million](#) people will fall into extreme poverty because of climate change. This is a similar increase in poverty levels as experienced during the COVID-19 crisis, toward which donor countries have contributed more than [US\\$18.1 billion](#).

Supporting the most vulnerable countries and populations in adapting to the impacts of climate change must be an essential part of donors' development efforts if the global community has any hope of [delivering on the commitments made in the 2030 Agenda for Sustainable Development](#).

Self-interest case: The implications of not investing in climate change adaptation are so large that they will reverberate across the world.

The adverse impacts of climate change on low- and middle-income countries will be so significant that they will not be constrained by national borders.

Climate impacts such as rises in sea levels and persistent severe heatwaves risk making some areas, particularly coastal regions, uninhabitable in the next decades. This could drive significant numbers of people to [migrate internally](#) or across borders, increasing competition for scarce resources and potentially undermining global stability.

According to the World Bank, climate change could force [216 million](#) people to move within their countries by 2050. While many of these will move within national borders, some [studies](#) have demonstrated a link between climate change and external migration,

for example [this study](#) which found a link between severe drought, armed conflict and asylum-seeking driven by poverty, food security and inequality.

Climate change and changes in land use are also expected to increase the risk of many zoonotic diseases, increasing the chances of future pandemics. Enhanced investments in adaptation efforts, including efforts to protect ecosystems and improve disease surveillance, are therefore essential to protecting global public health.

Substantial investments in climate change adaptation in low- and middle-income countries could directly benefit the citizens of donor countries by limiting the knock-on global effects of insufficient investment in adaptation.

Financial case: The costs of climate change will be greater if adaptation efforts are reactive rather than proactive.

Achieving the Paris Agreement entails significant global costs; however, these costs are considerably outweighed by the benefits of avoiding the damage of further warming. This is true of climate change mitigation — where investments now can help prevent future economic losses due to rising temperatures — but also of climate change adaptation where proactive investment in resilience can prevent or reduce the impact (and costs) of future climate change. According to the Global Commission on Adaptation, investing US\$1.8 trillion in adaptation efforts including early warning systems, climate-resilient infrastructure, and improved dryland agriculture, could generate nearly four times as much in avoided costs and economic and social damage.

The challenge is that many of the countries that need this investment the most also face the biggest hurdles in accessing the financing it requires. Given fiscal pressures in low- and middle-income countries, particularly in the context of the COVID-19 crisis, many domestic governments do not have the fiscal space to optimally invest in climate change adaptation. This is particularly true of small countries with significant adaptation costs such as the Pacific Island countries. In addition, there is very limited private investment in adaptation overall, and particularly in

low- and middle-income countries. This means many at-risk nations are forced to spend what they can reactively when disasters happen, rather than being able to efficiently invest in protecting their economies and populations. This reactive spending on disasters, as well as the economic costs of them when they happen, risks crowding out domestic spending on other development priorities such as healthcare and education and impeding progress against the Sustainable Development Goals (SDGs).

As well as the financial case for more donor funding for adaptation, there is also a financial case for better allocation of concessional adaptation funding. The analysis provided in ‘The baseline’ component of this toolkit confirms the findings of a study by the Stockholm Environment Institute, which found that the most vulnerable countries received less donor funding than those with lower vulnerability scores indicating that donors are not optimally targeting the limited amount of funding that they are providing. Proactive and well-targeted donor financing in climate resilient development can be an efficient way of avoiding future development costs and can help to de-risk and attract private investment, for example through providing financial support for adaptation planning.

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THE OUTLOOK:

Overview of donors' commitments and priorities in the lead-up to COP26 and beyond

Given donors' insufficient funding for international climate change adaptation until 2019 (see ['The baseline'](#)), which has likely been compounded since by the COVID-19 crisis, advocates have a strong case to call on donor government to scale up political commitments and funding for adaptation as part of their global development policies (see ['Cases for investment'](#)). The urgency of this issue is increasingly obvious as the impacts of climate change are already being felt all over the world, with low- and middle-income countries among those hardest hit.

To inform advocates' work as they engage with donors around increasing concessional funding and policy commitments for climate change adaptation in the lead up to COP26 and beyond, these 'profile cards' give overviews of G7 donors' (plus the EU Institutions) major climate change adaptation commitments and priorities in 2021. For each donor, they outline thematic and/or regional priorities for climate change adaptation (including some examples or evidence of these priorities), commitments made toward climate change adaptation in 2021, and what more might be expected at COP26. This is not an exhaustive list and further commitments are likely in the weeks between publication and events of COP26. For even more up-to-date information on donors' climate financing delivered right to your inbox, [sign up](#) to receive the Donor Tracker's Weekly Digest.



EU INSTITUTIONS

on international climate change adaptation

2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$4.7 billion in ODA	23% of bilateral allocable ODA	#1 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Increasing support** for international action on adaptation according to EU strategy on adaptation to climate change
-  **Closing climate adaptation financing gap** by mobilizing larger-scale financing including through the European Fund for Sustainable Development (EFSD+), most of which will be ODA-eligible
-  **Working with African governments** on partnerships for a green transition ahead of COP26 and next EU-Africa Summit
-  **Increasing climate adaptation financing** from the European Investment Bank in 2021-2025, including funding for low- and middle-income countries
-  **Expected COP26 pledges** don't include international climate adaptation financing

Key Priorities



Countries on the African continent

- [European Green Deal](#) including its 'Farm to Fork' strategy and the [EU strategy](#) on adaptation to climate change
- EU's [roadmap](#) for a new Africa strategy
- 'Post-Cotonou' agreement
- New 'Africa initiative' under Horizon Europe research program



Blended finance

- European Fund for Sustainable Development (EFSD+)



GERMANY

on international climate change adaptation

2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$4.6 billion in ODA	22% of bilateral allocable ODA	#2 DAC donor (total spending)

Recent Pledges & Initiatives

-  Spending €220 million (US\$246 million) to support low-income countries adapting to the climate crisis
-  Increasing bilateral support for climate risk financing and insurance in low- and middle-income countries by €120 million (US\$134 million)
-  Investing almost €3 million (US\$3 million) in initial funding through a new Africa office of the Global Center on Adaptation in support of the Africa Adaptation Initiative (AAI)
-  **Co-leading work at COP26 on a credible delivery plan** to make sure US\$100 billion climate finance goal is achieved
-  **No public information** on expected commitments at COP26

Key Priorities



Countries on the African continent

- In line with overarching development strategy; likely to remain a focus beyond federal election in September 2021



Food security

- 'One World- No Hunger' (SEWOH); likely to remain a priority beyond the federal election in September 2021



Agriculture & water

- Funding pledged at Climate Adaptation Summit will expand support in agricultural sector



FRANCE

on international climate change adaptation




2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$2.6 billion in ODA	21% of bilateral allocable ODA	#3 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Contributing €4 million (US\$5 million)** to the CREWS Initiative for early warning services in "Least Developed Countries" and "Small Island Developing States"
-  **Launching PREZODE (PREventing ZOonotic Diseases Emergence)**, a new initiative to prevent future pandemics
-  **Signing action plan** with CGIAR on themes of agriculture and climate change; agro-ecological transitions; and nutrition and sustainable food systems including €12 million (US\$13 million) in funding to CGIAR over three years
-  **Not expected** to make adaptation-related commitments at COP26 beyond what is already outlined in 2021 budget law

Key Priorities

-  **Countries on the African continent**
 - In line with overarching development [strategy](#), which focuses on 19 African countries
-  **Multilateralism**
 - Hosted Green Climate Fund's first replenishment in 2019; co-leading the Fund (with Mexico) in 2021
-  **Biodiversity**
 - Hosted [One Planet Summit on Biodiversity](#) in 2021
 - President Emmanuel Macron [called](#) for "new" Paris Agreement on biodiversity







UNITED KINGDOM

on international climate change adaptation


2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$1.5 billion in ODA	17% of bilateral allocable ODA	#4 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Leading** an [Adaptation Action Coalition](#) at COP26
-  **Supporting 'least developed' countries' Initiative for Effective Adaptation and Resilience**
-  **Protecting international climate finance** from [cuts](#) to the ODA budget
-  **Investing £120 million (US\$153 million) in building regional disaster response** in low- and middle-income countries
-  **Appointing an International Champion on Adaptation and Resilience** for the COP26 Presidency (Anne-Marie Trevelyan MP)

Key Priorities

-  **Indo-Pacific**
 - [Global Britain in a Competitive Age](#)
 - [ASEAN Dialogue Partner](#)
-  **East Africa**
 - New climate initiatives for [Kenya](#)
 - Support for [Ethiopia](#): COVID-19, climate change, and locusts
-  **Disaster preparedness & response**
 - Humanitarian assistance receives [largest](#) amount of climate focused bilateral ODA
-  **Nature-based solutions**
 - Critical [component](#) of climate strategy





JAPAN

on international climate change adaptation

2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$760 million in ODA	6% of bilateral allocable ODA	#6 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Committing JPY 6.5 trillion (US\$59.6 billion)** to climate change for 2021 to 2025 and to improve the quality of its climate finance, including including further enhancing assistance for adaptation
-  **Initiating project utilizing artificial intelligence** to establish a monitoring and projection system on infrastructure in other countries

Key Priorities

-  **Disaster preparedness & response**
 - [Technology sharing](#), given domestic experience with natural disaster recovery and solutions to reduce disaster risk
-  **Infrastructure**
 - Japan International Cooperation Agency (JICA) Climate Cooperation [Strategy](#)



UNITED STATES

on international climate change adaptation






2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$568 million in ODA	2% of bilateral allocable ODA	#8 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Tripling adaption finance** by 2024 according to [International Climate Finance Plan](#) (Note: Congress will have considerable say in funding levels)
-  **Focusing on climate-smart development** and sustainable infrastructure according to new [Climate Strategy](#)
-  **Releasing new [Climate Change Strategy](#)** for USAID during COP26

Key Priorities

-  **Disaster preparedness & response**
 - USAID climate change [priorities](#)
-  **Agriculture & water**
 - USAID climate change [priorities](#)
-  **Infrastructure**
 - MCC Climate [Strategy](#)
-  **Energy**
 - DFC climate-related [commitments](#)
-  **Nature-based solutions**
 - [Executive Order](#) on Tackling the Climate Crisis at Home and Abroad







CANADA

on international climate change adaptation




2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$524 million in ODA	15% of bilateral allocable ODA	#9 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Doubling its commitment to international climate finance** to [CAD5.3 billion](#) (US\$4.0 billion) over five years – including increased funds for adaptation and biodiversity
-  **Boosting grant component** of international climate finance from [30% to 40%](#)
-  **Co-leading work at COP26** on a credible delivery plan to make sure US\$100 billion climate finance goal is achieved
-  **Launching Canada-African Development Bank Climate Fund** with CAD133 million (US\$100 million) to increase women's economic rights and participation in climate action and grow private investment.

Key Priorities

-  **Nature-based solutions**
 - Co-leading the [Nature-Based Solutions Action Track](#)
-  **Gender**
 - [Feminist International Assistance Policy \(FIAP\)](#)
-  **Biodiversity**
 - Host of Convention on Biological Diversity [Secretariat](#), located in Montreal







ITALY

on international climate change adaptation

2019 Bilateral ODA for Climate Adaptation

TOTAL	PRIORITIZATION	RANK
US\$191 million in ODA	18% of bilateral allocable ODA	#15 DAC donor (total spending)

Recent Pledges & Initiatives

-  **Hosting pre-COP26 [Summit](#)** in Milan from September 30 to October 2, 2021
-  **Hosting COP26 Youth Summit** in Milan from from September 28-30, 2021
-  **[Nomintating a Special Envoy for Climate](#)**
-  **Hosting the [Finance in Common Summit \(FiCS\)](#)**, bringing together all Public Development Banks in Rome from October 19-20, 2021

Key Priorities

-  **Agriculture**
 - Working with FAO to scale-up [climate-smart agriculture](#) in Botswana and Ecuador
-  **Multilateralism**
 - [Three Year Programming and Policy Planning Document](#)