

»» Trends in Climate Change Adaptation Finance - The KfW Perspective -

Bonn – 2 March 2015

Dr. Jochen Harnisch

KfW Development Bank

Environment & Climate and Climate Policy Unit

Bank aus Verantwortung

The logo for KfW, consisting of the letters 'KFW' in a bold, blue, sans-serif font.

»» Green Finance by KfW Group: 36 bln. USD in 2014

Instruments: Grants – Concessional and Commercial Loans – Equity – Mezzanine Finance



KfW is a development bank owned by the German government with a broad domestic, European and international mandate - implemented by KfW, KfW Development Bank, DEG and KfW IPEX

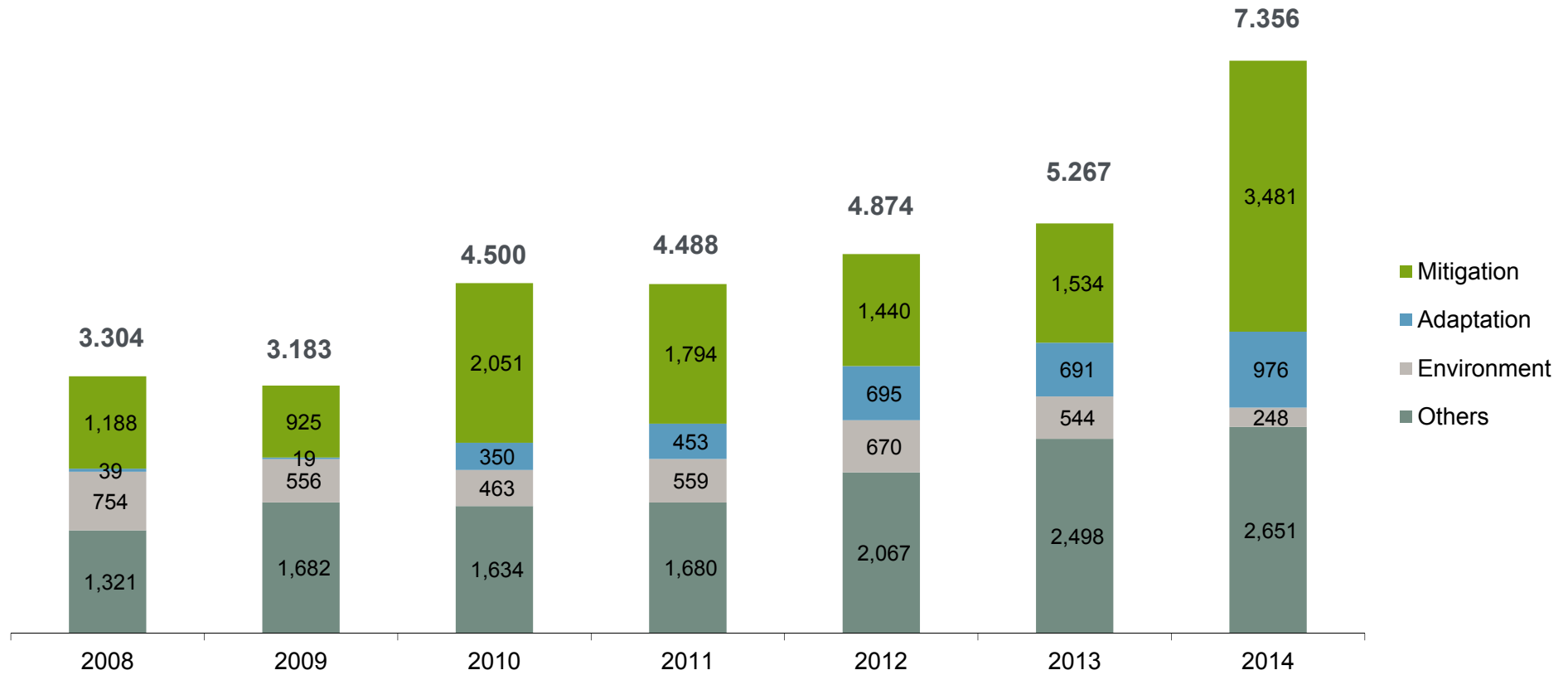
»» Worldwide Presence

80 local offices



»» New Commitments for Environment and Climate

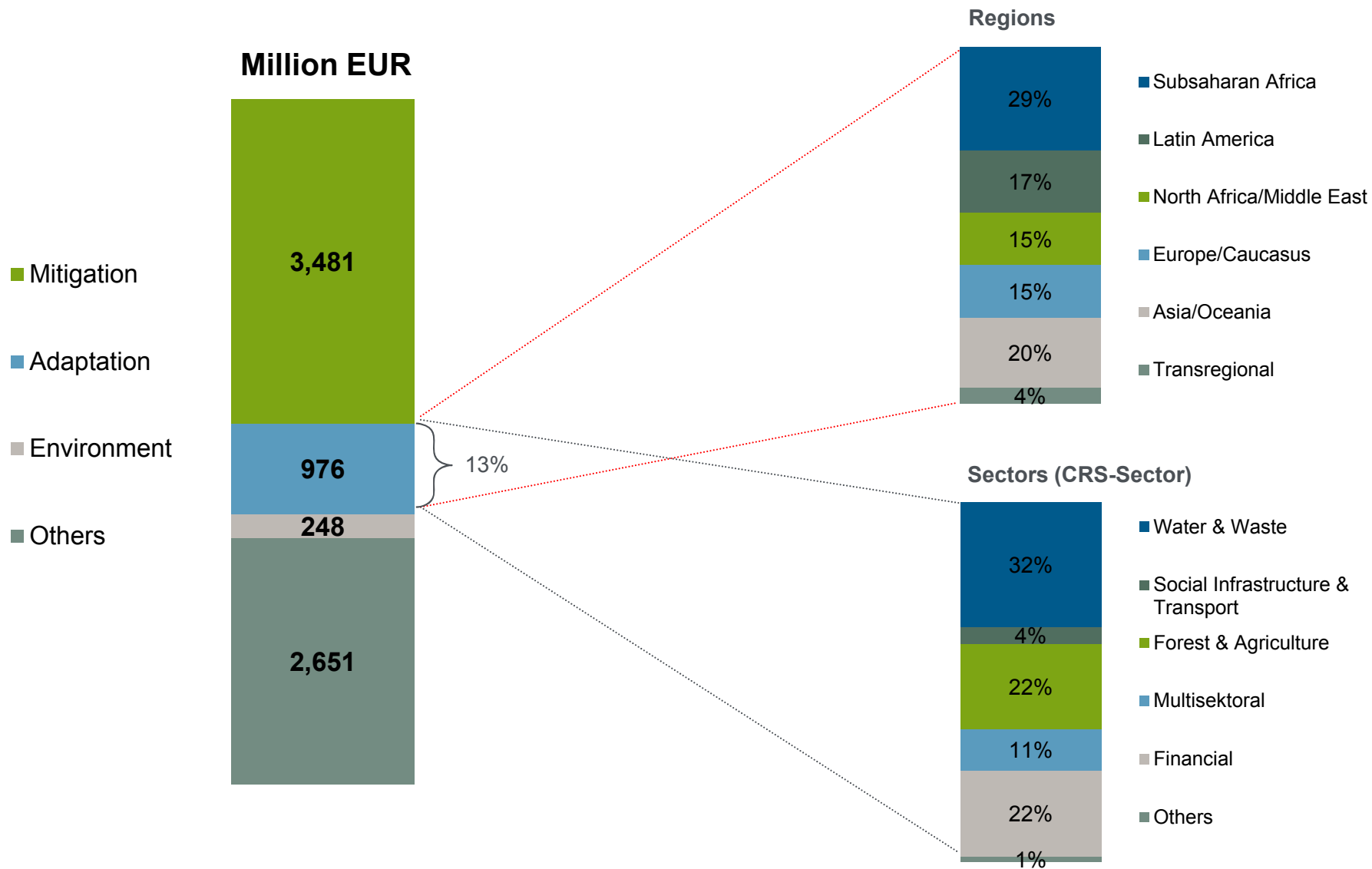
Total Commitments by KfW Development Bank 2008 - 2014



In million EUR

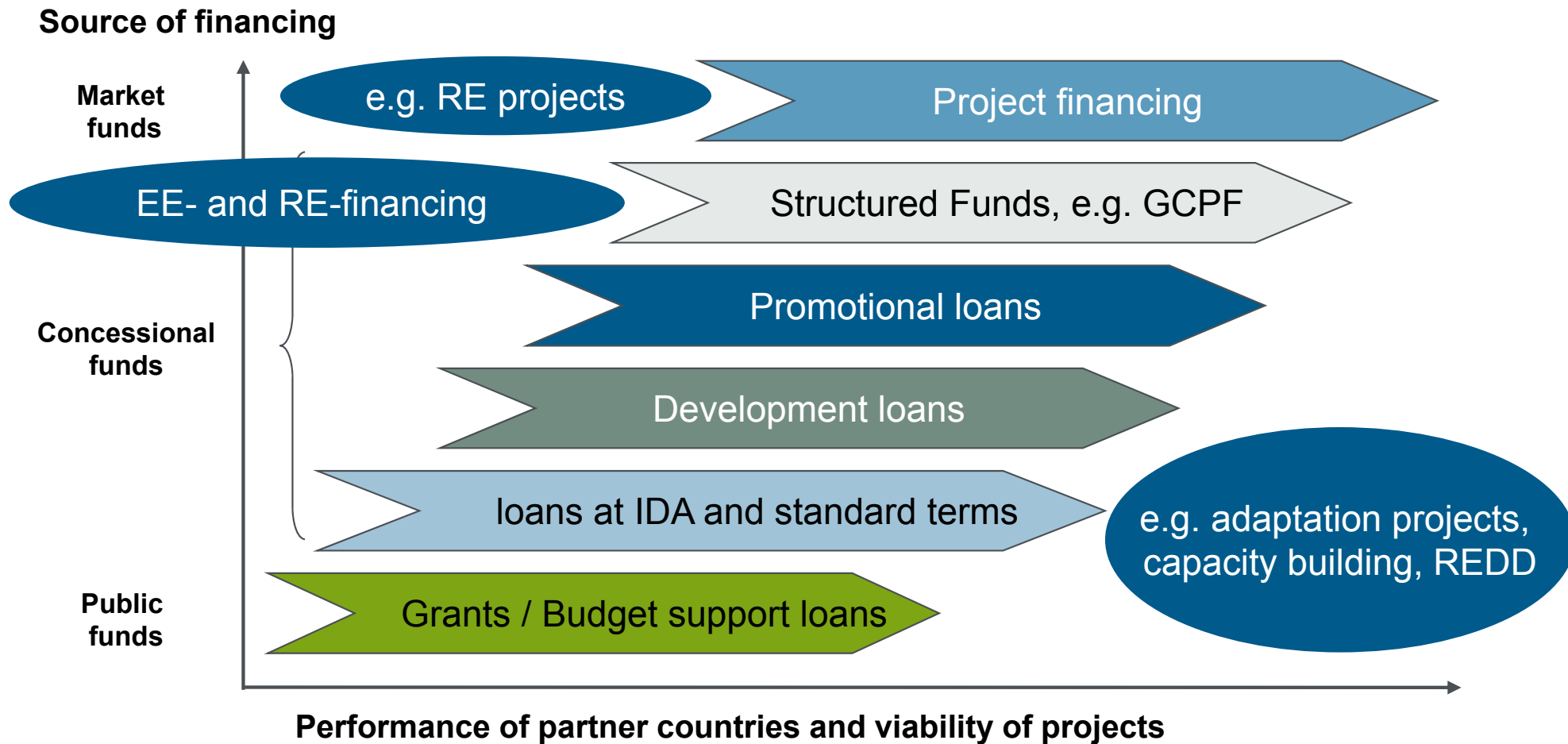
»» New Commitments for Environment and Climate

Commitments 2014 – adaptation by sectors and regions



»» Financial Instruments – Overview

Diversity of business models and regional foci and mandates



»» Mainstreaming Adaptation

Systematic climate change risk assessment

Screening

1. Is there a significant dependency on climate parameters?
2. Is there a significant potential for increasing resilience?

- › **Step 1:** Is planned project at significant risk of being substantially negative affected by climate change?

If the answer is "yes" or "not clear":

In-depth Assessment

Analysis of climate development

- › **Step 2:** Compilation and analysis of the information about the past, current and projected future climate development

Examination of potential impacts on the project

Climate risk and climate potential analysis

Need for action

Identification of adaptation options

- › **Outcome:** Identified adaptation activities are integrated into the project → Project "climate proof"

Prioritisation and selection of adaptation opportunities

»» Some Examples of CS2.0 & KfW Activities

Brief summaries of available climate change information



Climate-Focus-Paper
Global Sea Level Rise

Speed read

- Global mean sea level (GMSL) rise is one of the main indicators of climate change, and is of major concern for policy and decision makers. As it can have wide ranging impacts including on freshwater resources, agriculture, the protection of coastal assets, and loss of land to coastal areas.
- Estimating GMSL rise remains a complex but challenging task, as there is large uncertainty around how high sea levels may rise, and how fast.
- GMSL has increased by 0.33 m over the period 1993-2010, and the rate of increase has accelerated during the 21st century, with current rates estimated at 0.2 cm/yr.
- GMSL is projected to increase over the 21st century by between 0.26 m and 0.81 m by the year 2100 (IPCC AR5), and the future rate of increase is not likely to exceed the rate observed over the period 1970-2000.
- Using the IPCC AR5 estimates, it is possible to suggest an upper limit for GMSL of between 1.4 m and 1.6 m by the year 2100.
- This Climate-Focus-Paper is intended to provide information on various issues associated with GMSL rise, in order to support investment decisions in coastal and low-lying areas.

Background

When planning projects and investments in coastal and low-lying areas the potential impact of sea level rise (SLR) is highly relevant. Projections in the context of feasibility studies, permit and decision making must take SLR into account. Possible upper limits for sea level rise may be established on upper limit for sea level rise in extremely challenging conditions in order to assess the impact of a range of different sea level rise projections. At the global scale, the latest projections are through thermal expansion in the ocean, sea ice melt, and the addition of water from land ice (i.e. from melting glaciers and ice sheets). It is estimated that since the year 1970 there has been a projected increase of around 75% of the observed global mean sea level rise, adding to the impact of SLR however, will vary place to place in response.

scale, where additional processes related to vertical land movement (e.g. subsidence or uplift, sedimentation rates, ocean currents, gravity, and regional variation in temperature and salinity), will also need to be considered in deriving local estimates of sea level rise. These factors will be discussed in more detail in a supplementary regional sea level focus paper. Here, the focus is on understanding the nature and future change in global mean sea level, and the impacts that SLR has on a range of global mean sea level, and the impacts that SLR has on the various coastal and low-lying areas. The work presented in this paper has been carried out as part of the research project of the IPCC Working Group II Contribution to the Fourth Assessment Report (AR4).

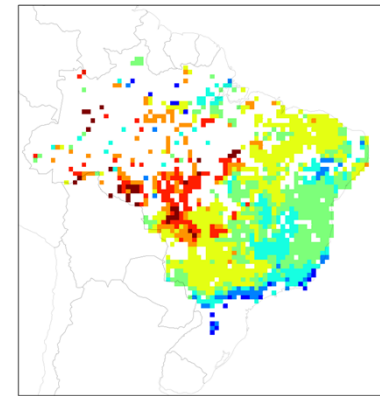
Climate-Focus-Paper Global Sea level rise



Climate-Fact-Sheets



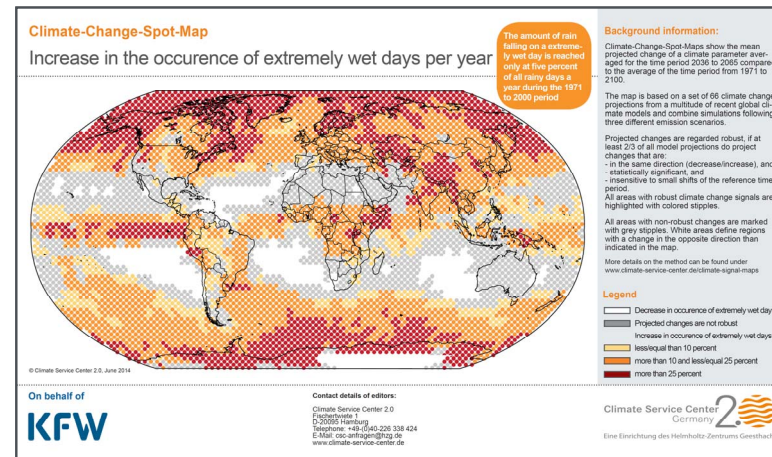
Maps illustrating robust climate change hotspots



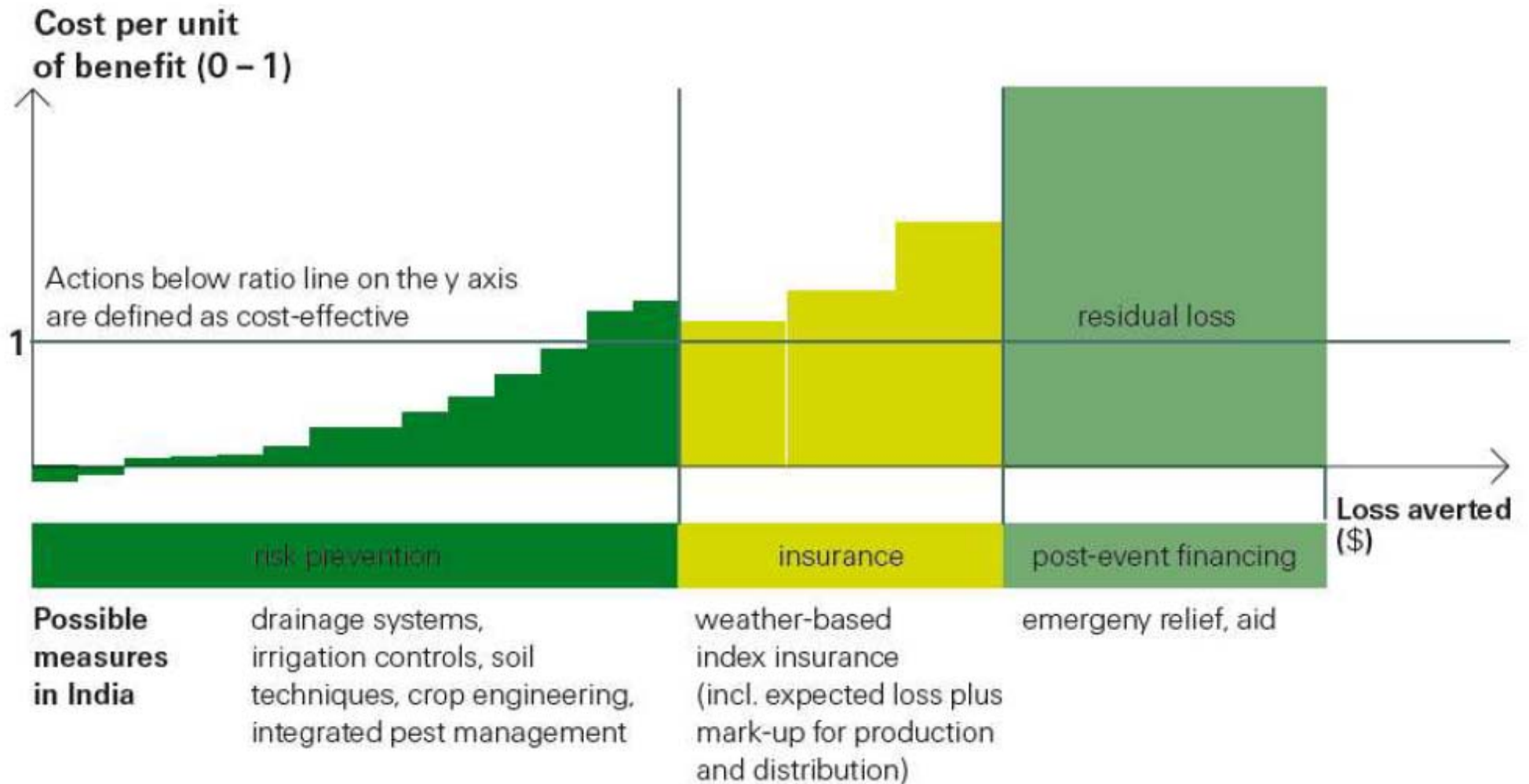
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Hotspot Maps

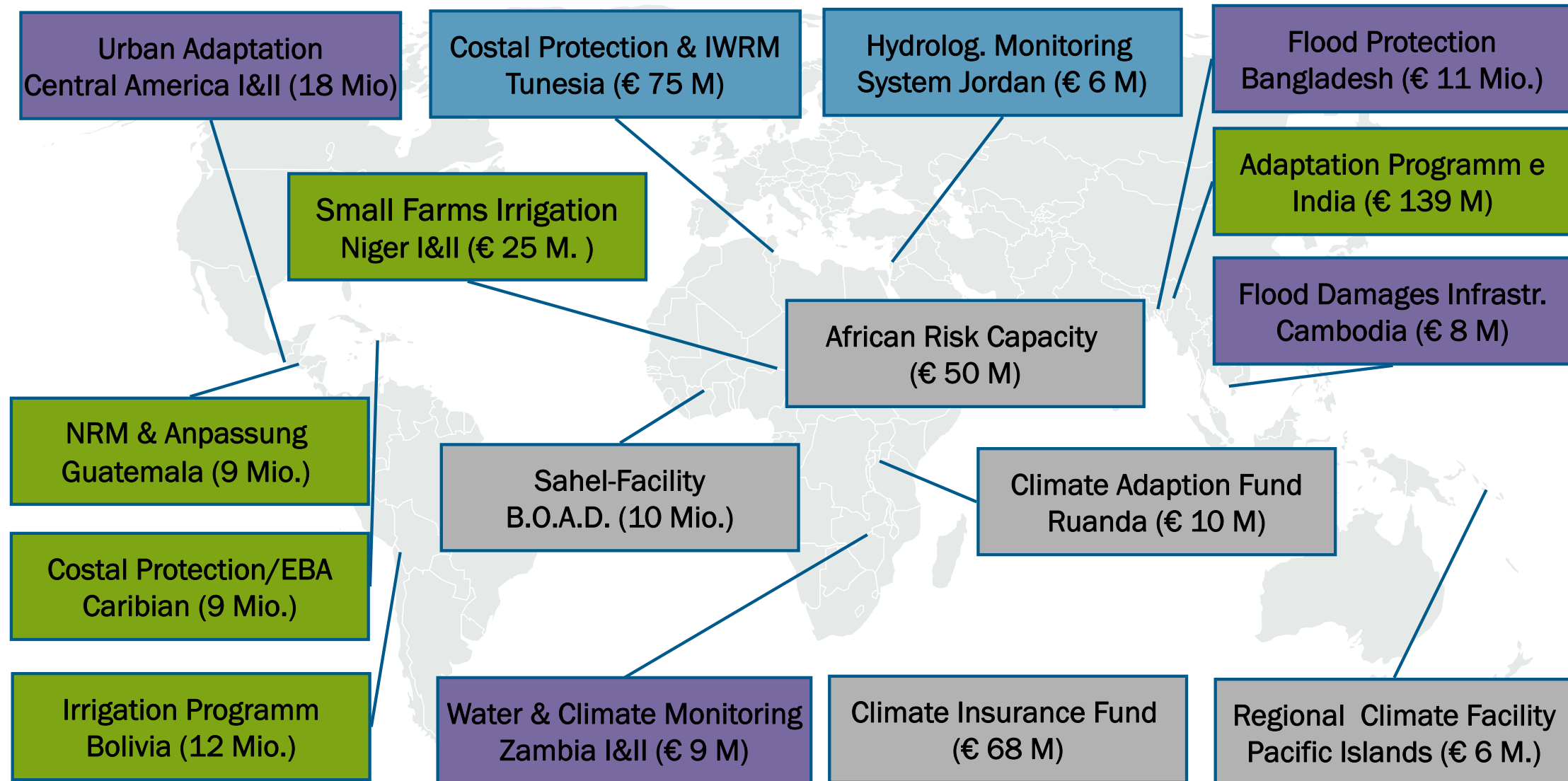
Climate-Signal Maps



»» Adaptation Measures Prioritized According to Costs & Benefits



»» Selected Examples of KfW Adaptation Projects Around the World



»» Outlook: KfW's Adaptation Workplan 2015/16

Our basic approach: Financing Infrastructure for Climate Resilient Development

I. Portfolio Development:

- › Grow our adaptation project portfolio via the local financial sector incl. insurance platforms
- › Build on experience from early scaling-up of grant based adaptation funding by Germany
- › Support countries in building a strong pipeline of effective and attractive adaptation projects
- › Help to get the GCF going – especially where direct access is not yet possible

II. Tools:

- › Update climate data: Regionalisation of CMIP5/IPCC AR5 scenario results
- › Execute two ECA studies: Barisal and San Salvador
- › Capacity development for international and local project consultants
- › Development and roll-out of sector specific sets of adaptation indicators

»» Contact Details

Dr. Jochen Harnisch

Head of Environment and Climate Division

KfW Development Bank

Palmengartenstrasse 5-9

60325 Frankfurt am Main

Germany

Phone +49 69 7431 - 9695

Fax +49 69 7431 - 3796

Jochen.Harnisch@kfw.de