

The work of the Adaptation Committee on means of implementation

In-session Workshop on Long-term Finance

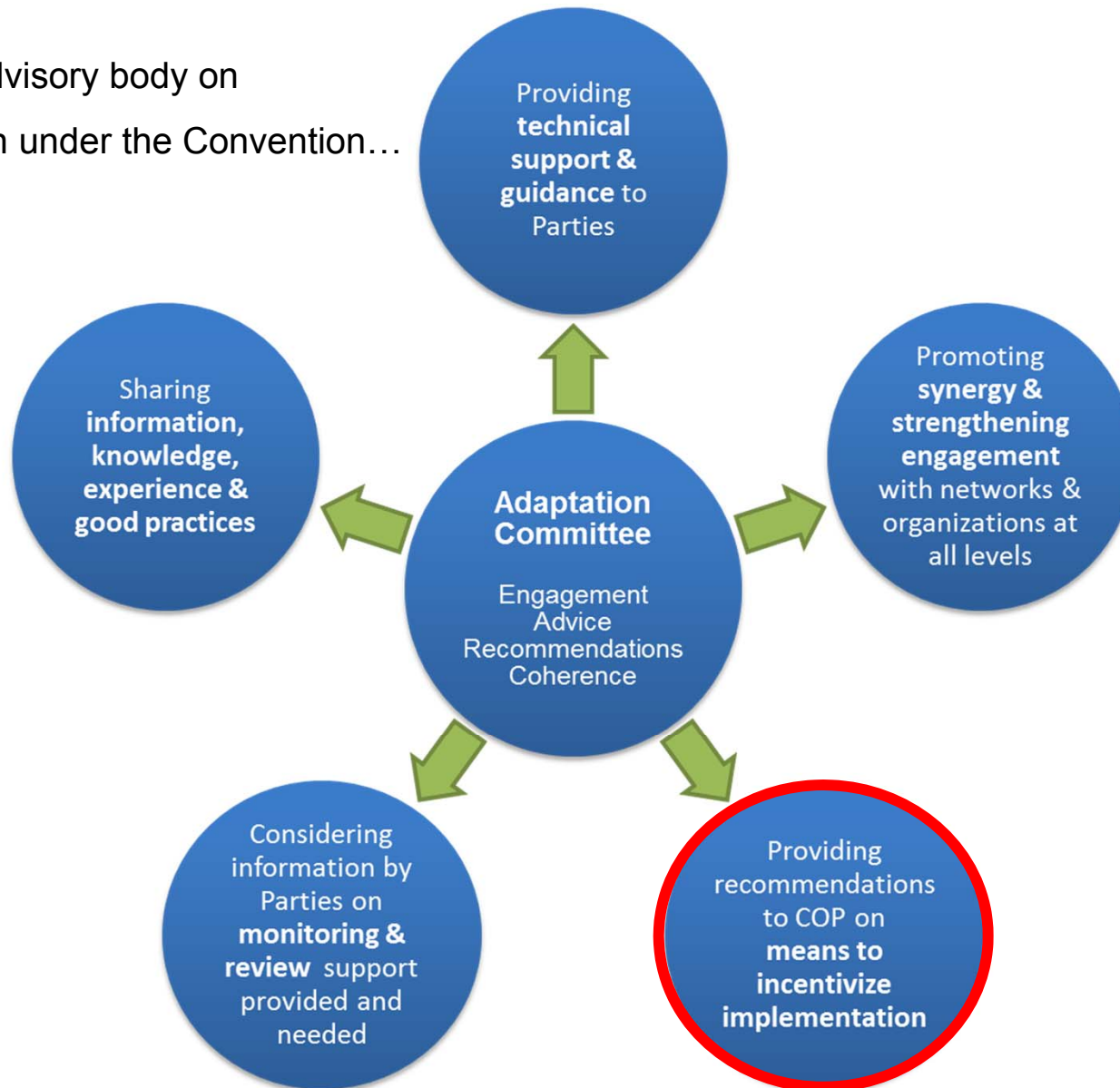
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Mandate

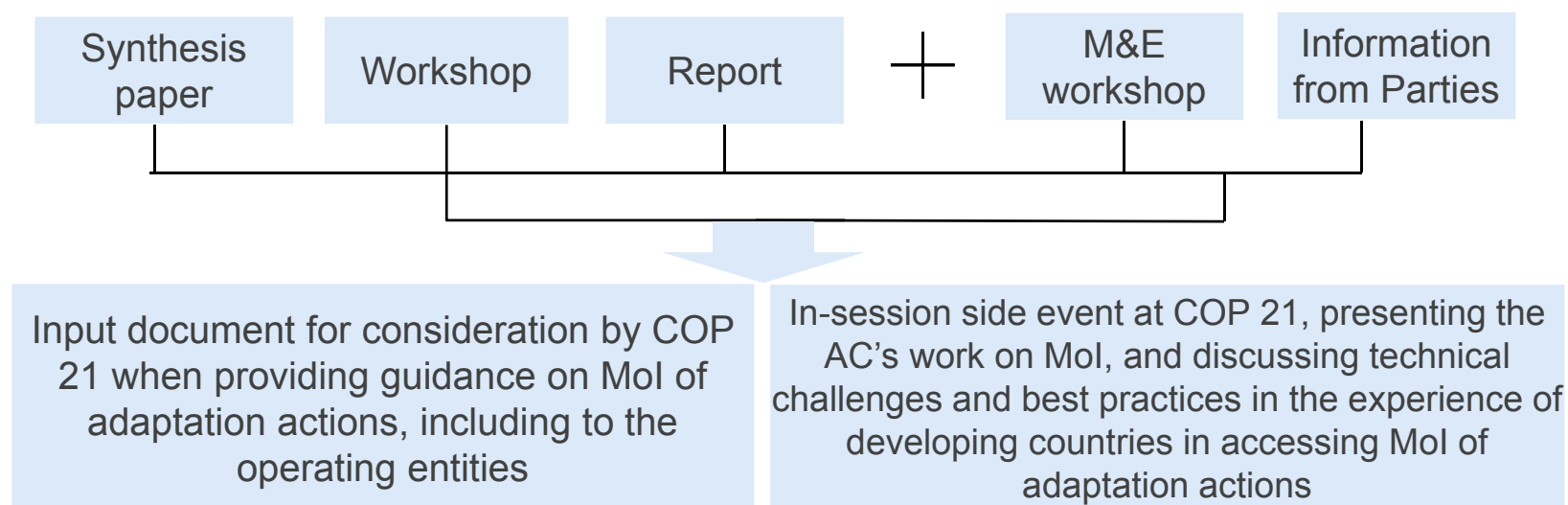
Overall advisory body on adaptation under the Convention...



Workstream on Mol

Providing information and recommendations for consideration by the COP when providing guidance on means to incentivize the implementation of adaptation actions, including finance, technology and capacity-building (1/CP.16, para. 20(d))

Workplan activities



❖ **Overview of the current landscape of adaptation finance**

- Sources of adaptation finance including current and estimated future amounts;
- Institutions managing adaptation finance;
- Instruments through which adaptation finance is disbursed;
- Geographic and sectoral allocation of adaptation finance.

❖ **Effectiveness of adaptation finance**

- Importance of understanding adaptation finance flows to increase effectiveness;
- Experience with regard to the effectiveness of overall climate finance;
- Early lessons from adaptation finance.

❖ **Overarching topic:**

- Understanding adaptation finance: how has adaptation finance resulted or not resulted in effective and concrete action?

❖ **Five specific topics:**

- Access to adaptation finance;
- National-level institutional arrangements and mobilization of finance in developing countries;
- The importance of integrating adaptation into development;
- The role of the private sector;
- The NAP process.

Workshop outcomes

❖ **Trends and lessons learned in the current landscape of adaptation finance:**

- A move towards faster access and a more integrated way of financing adaptation across various sectors, as well as increasing the size of projects/programmes;
- A move from grants-based adaptation finance towards other financial instruments, such as insurance, including by working with the local financial sector;
- Larger projects and programmes are now addressing more sectors in an integrated manner;
- Success in adaptation finance is reflected in the increased overall amount and in other positive developments (incl. general alignment of funded adaptation activities with national priorities, their integration into development activities, their ability to be scaled up);
- Important information gaps exist on domestic and private sources of adaptation finance.

[See workshop report for trends and lessons across the five topics](#)



❖ **Challenges in adaptation finance:**

- Adaptation versus business-as-usual development finance;
- Political will and support for addressing adaptation as a national priority;
- Coordination of adaptation finance from different sources at the national level;
- Understanding incentives and benefits of climate risk management in the private sector;
- Engagement of the domestic private sector, particularly in LDCs;
- Oversubscription of LDCF, SCCF and AF during period of transformation to larger project / program scale funding
- The difficulty of navigating the current landscape of adaptation finance;
- Monitoring and evaluating adaptation effectiveness.



❖ Recommendations on means to incentivize implementation of adaptation action

At a **national** level:

- Developing longer-term, strategic frameworks;
- The NAP process provides an important platform for linking the adaptation process in a country with adaptation finance and vice versa through the development of respective strategies, arrangements and capacity;
- Setting up laws and transformational adaptation processes;
- Maintaining momentum for NAPA implementation and paying close attention to the link between NAPs and INDCs in the context of the new agreement;
- Emphasizing risk management when involving the private sector.



❖ Recommendations on means to incentivize implementation of adaptation action

International dimension:

- Enhancing reporting at all levels in order to enable monitoring and evaluation;
- Clarifying the roles and comparative advantages of the different operating entities under the Convention and other funding entities;
- Pursuing various access modalities, including direct access to multilateral funds;
- Enhancing readiness programmes, including under the GCF, and linking to NAPs.



Next steps

- ❖ **Workshop report available at <unfccc.int/8860>**
- ❖ **Preparation of input paper under the NAP Task Force;**
- ❖ **Organization of side event on Mol at COP 21.**

