

Report on the doubling of adaptation finance

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Technical Report

UNFCCC Standing Committee on Finance

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of adaptation finance



United Nations
Framework Convention on
Climate Change



BACKGROUND AND APPROACH

- Decision 1/CMA.3, paragraph 18,

Urges developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled up financial resources, recalling Article 9, paragraph 4, of the Paris Agreement.

- Report structure

Methodologies

Overview of available data

Assessment

Challenges and opportunities

Recommendations by the SCF



KEY FINDING: Challenges and limitations in tracking the doubling of adaptation finance

- Limited **clarity** in decision on what is included
- **Strengths and weaknesses** of different sources of information
- **Data** gaps and time lag in data availability
- How to consider finance for **cross-cutting activities** that target both adaptation and mitigation
- How to consider **contextual information** e.g. the balance of mitigation and adaptation, Article 9.4



KEY FINDING: Range of estimates for measuring progress on doubling adaptation finance

Across 5 different estimates:

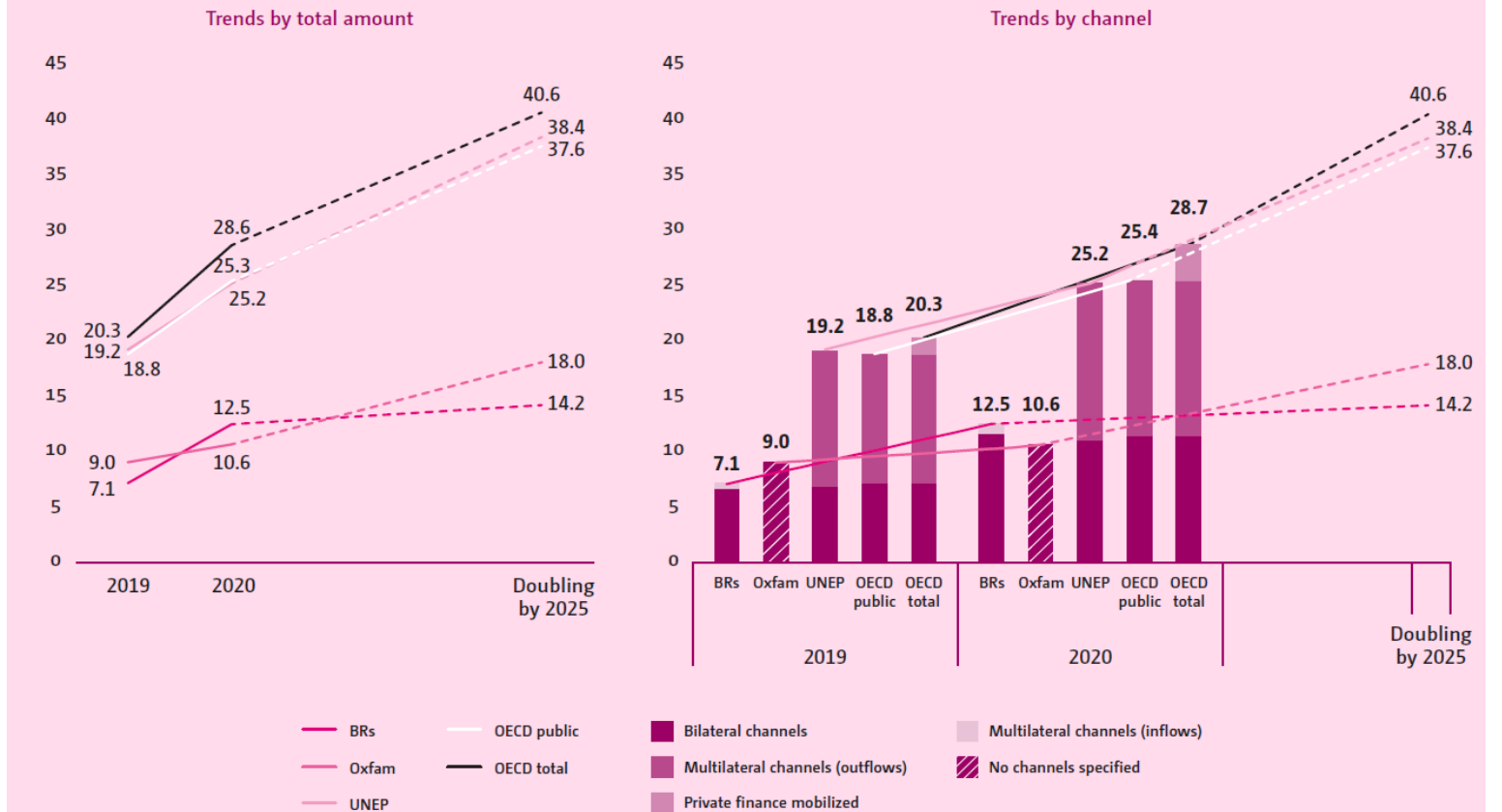
2019 levels range from \$7.1bn to \$20.3bn

ImPLY **doubling of \$14.2bn to \$40.6bn by 2025**

3 out of 5 estimates average \$19.4bn imply doubling of \$38.8bn

2020 increase from 2019 levels by between 18-75%

Adaptation finance in 2019–2020 and its potential doubling from 2019 levels by 2025 according to the sources of information

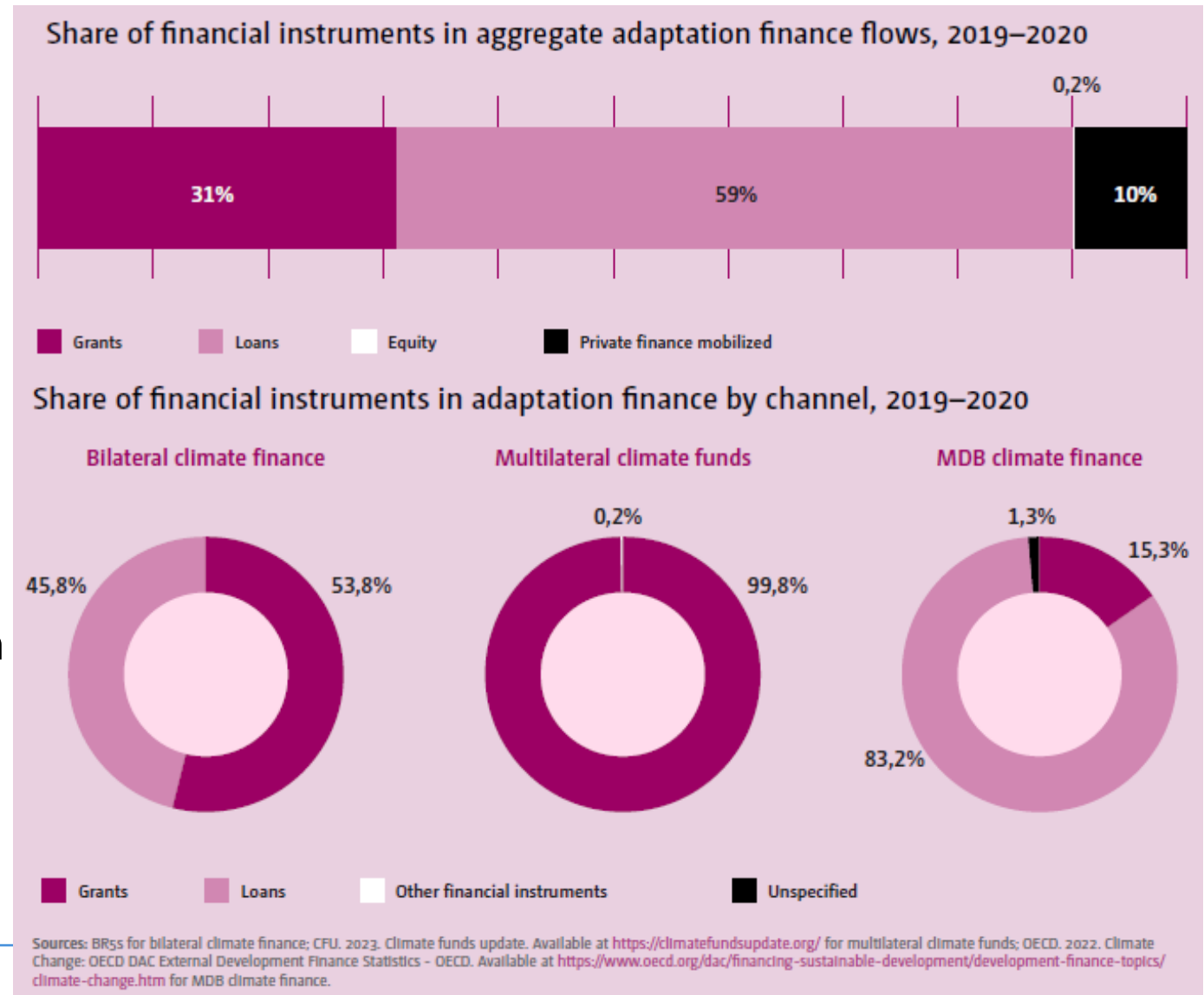


Sources: BRs: OECD, 2022, Climate Finance Provided and Mobilised by Developed Countries in 2016–2020 Insights from disaggregated analysis. OECD. Available at https://www.oecd-ilibrary.org/finance-and-investment/climate-finance-provided-and-mobilised-by-developed-countries-in-2016-2020_286dae54-en; Oxfam, 2023, Climate Finance Shadow Report 2023: Assessing the delivery of the \$100 billion commitment. Oxford: Oxfam GB. Available at <https://policy-practice.oxfam.org/resources/climate-finance-shadow-report-2023-621500/>; UNEP, 2023, Adaptation Gap Report 2023. Nairobi: UNEP. Available at <http://www.unep.org/resources/adaptation-gap-report-2023>.
Notes: BRs data are excluded due to substantial data gaps. The amounts visualized relate to finance for adaptation, excluding cross-cutting finance. If amounts of cross-cutting finance are taken into account, the range in 2019 is between USD 16.2 billion and USD 29 billion and in 2020 between USD 21 billion and USD 34.6 billion. This implies that a total increase of between USD 11.4 billion and USD 23.4 billion in annual adaptation finance would achieve a doubling of adaptation finance by 2025. Oxfam data represent the midpoint of a low to high range in each year.



KEY FINDING: Growing trends in instruments, balance and regions

- High share of loans in some estimates due to high share of MDBs
- Grants are significant share of bilateral finance and almost all of multilateral climate funds
- Asia and Africa regions receive largest shares of adaptation finance; Africa, LDCs and SIDS receive larger share of adaptation finance than of climate finance
- 24-30% adaptation finance share in 2019-2020 data vs 52-61% mitigation



- Underscore importance of providing **further clarity** on the baseline
- Enhance **quality and granularity** of reporting
- Support efforts in building data management **capacities**
- Continue to make adaptation a **priority**
- Identify and support **scalable approaches for private adaptation finance**