

# The Adaptation Finance Gap Report 2016

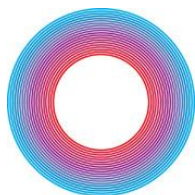
What is the likely magnitude of the gap?

What will it take to bridge it?

Bonn ♦ 23 May, 2016



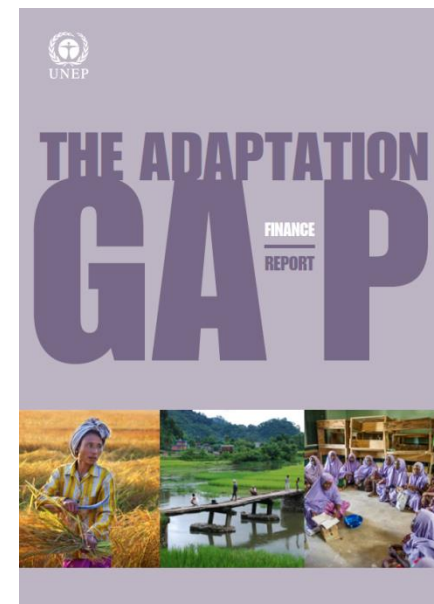
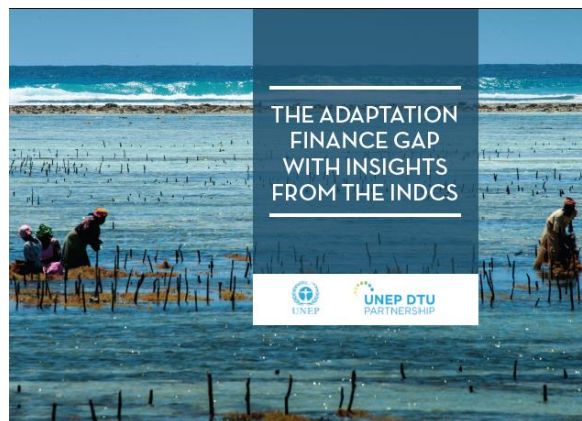
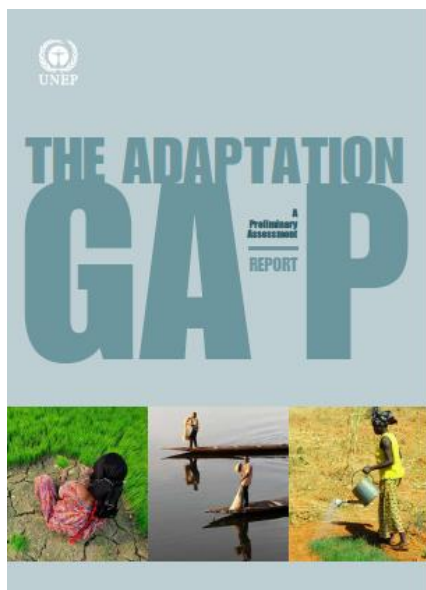
# UNEP Adaptation Gap Reports



LIMA COP20/CMP10  
UN CLIMATE CHANGE CONFERENCE 2014



COP21 • CMP11  
**PARIS 2015**  
UN CLIMATE CHANGE CONFERENCE



# 2016 Gap report - main questions



**What are the likely costs of meeting adaptation needs in developing countries?**

By 2030 and 2050, costs could be up to US\$300 bn. and US\$500 bn., respectively.



**How much finance is flowing to adaptation?**

Int. public finance US\$22.5 bn. in 2014 - steady increase over past 5 years. Limited tracking of private and domestic finance.



**What is the likely adaptation finance gap?**

Today, costs exceed int. pub. finance by a factor of 2-3. The gap is likely to grow substantially over the coming decades.



**How can the gap be bridged?**

Reduce needs and costs, scale up all finance, and ensure effectiveness and efficiency. Paris Agreement can drive action.

Now

2030

2050

# The costs of adaptation

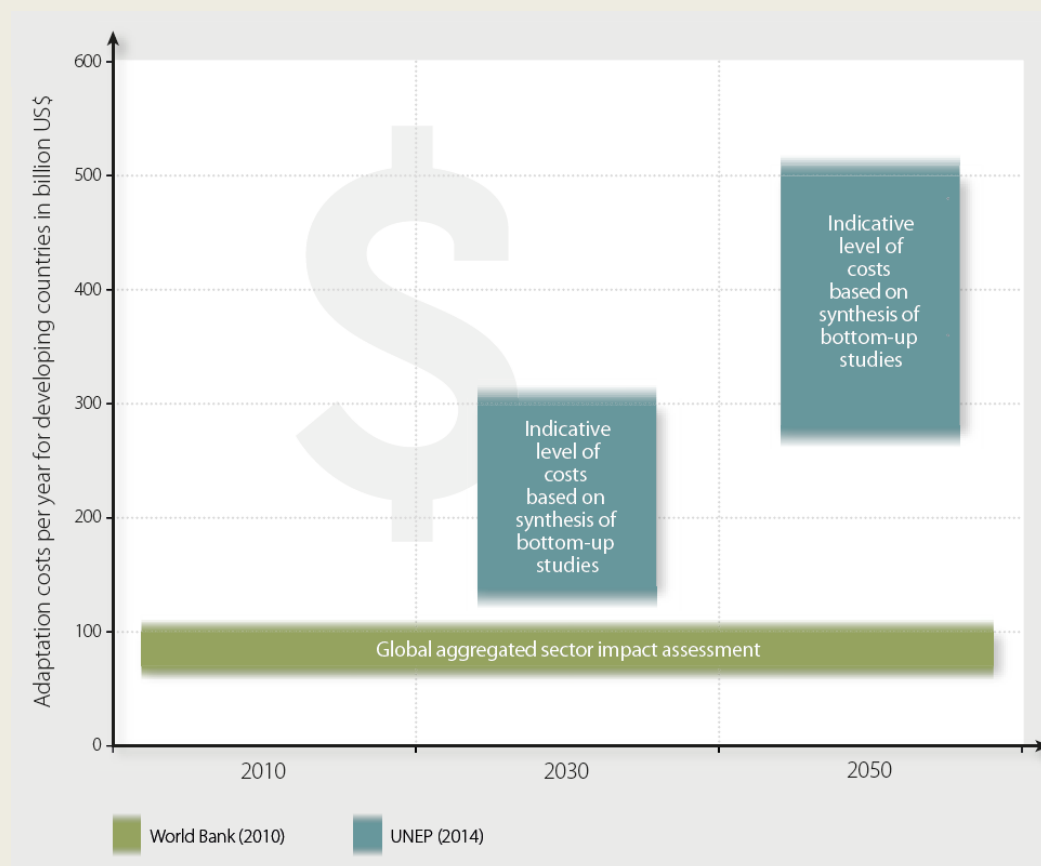


# The costs of adaptation

Previous estimates of the costs of adaptation in developing countries of US\$70-100 bn/yr for the period 2010-2050 likely to be underestimates:

By 2030, the costs of adaptation could be 2-3 times higher

By 2050, the costs of adaptation could be 4-5 times higher



# The costs of adaptation

- No single estimate of the costs of adaptation. Estimates vary strongly depending on the methodology used, the analytical principles applied, and the assumptions made.
- Enhanced mitigation ambition is essential to limit adaptation needs and costs.
- Sectoral coverage in global and country-level studies is improving and number of studies increasing, but major gaps remain.



# Adaptation finance



# Adaptation finance



Four basic sources of finance: domestic and international, and public and private sector sources




Currently only comprehensive tracking of international public adaptation finance



Total finance flows are underestimated: private sector and domestic spending not included



Better data is needed to establish a credible picture of the size of domestic public adaptation finance

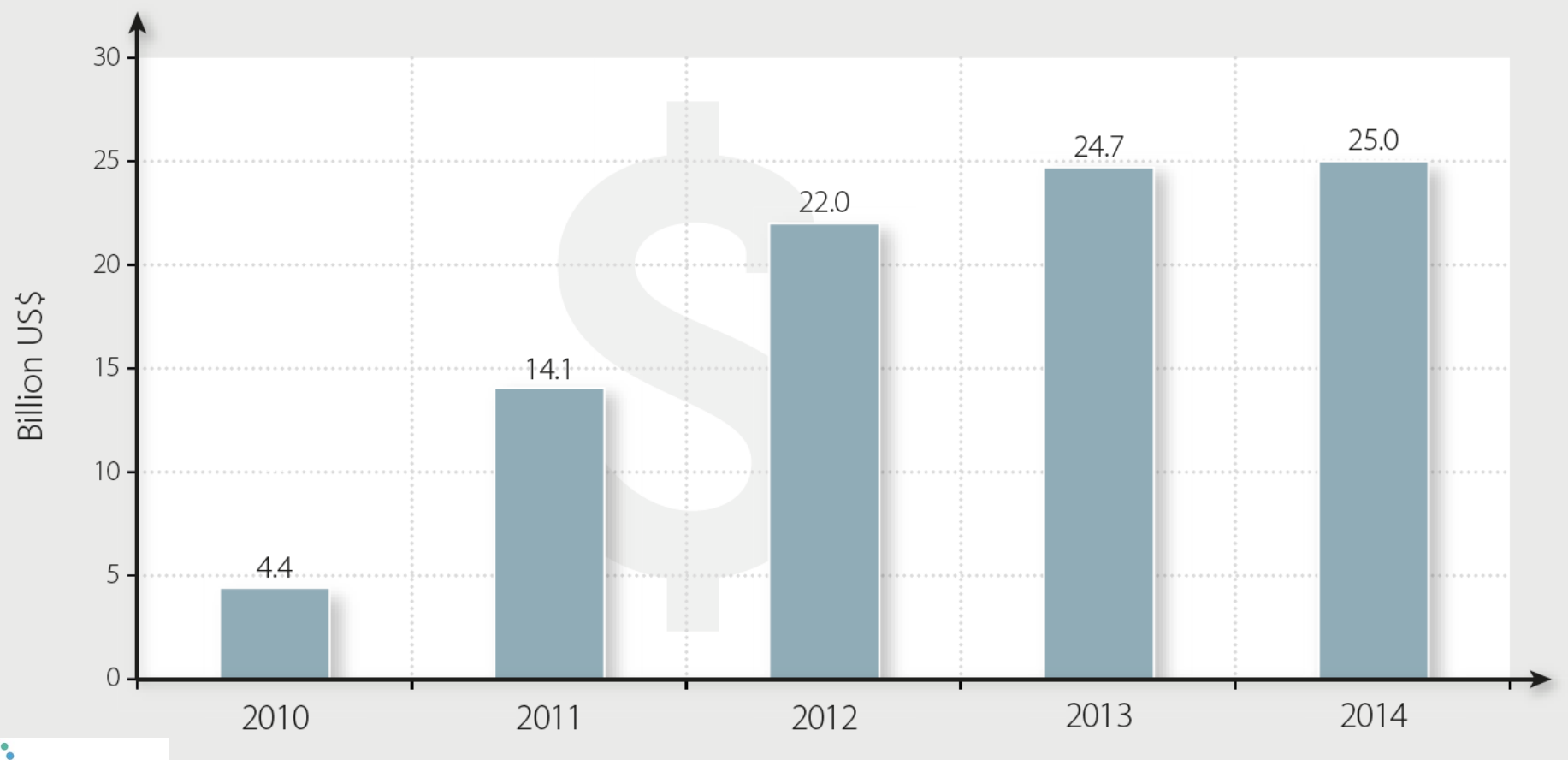


Private sector financing for adaptation is likely to play a key role, but flows are difficult to track



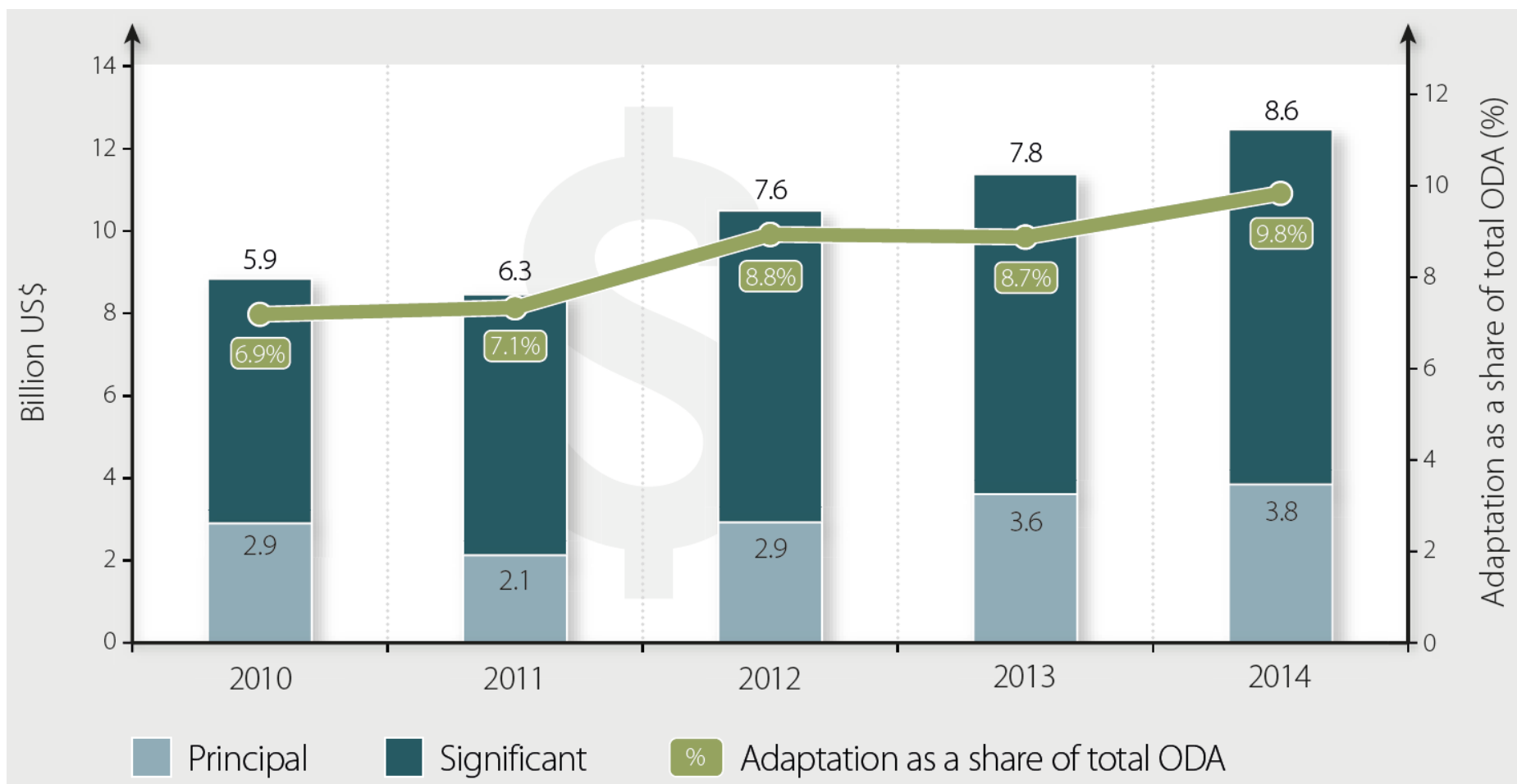
# Adaptation finance

International public adaptation finance reached US\$25 billion in 2014, of which US\$22.5 billion targeted developing countries, representing a steady rise over the past five years.



# Adaptation finance

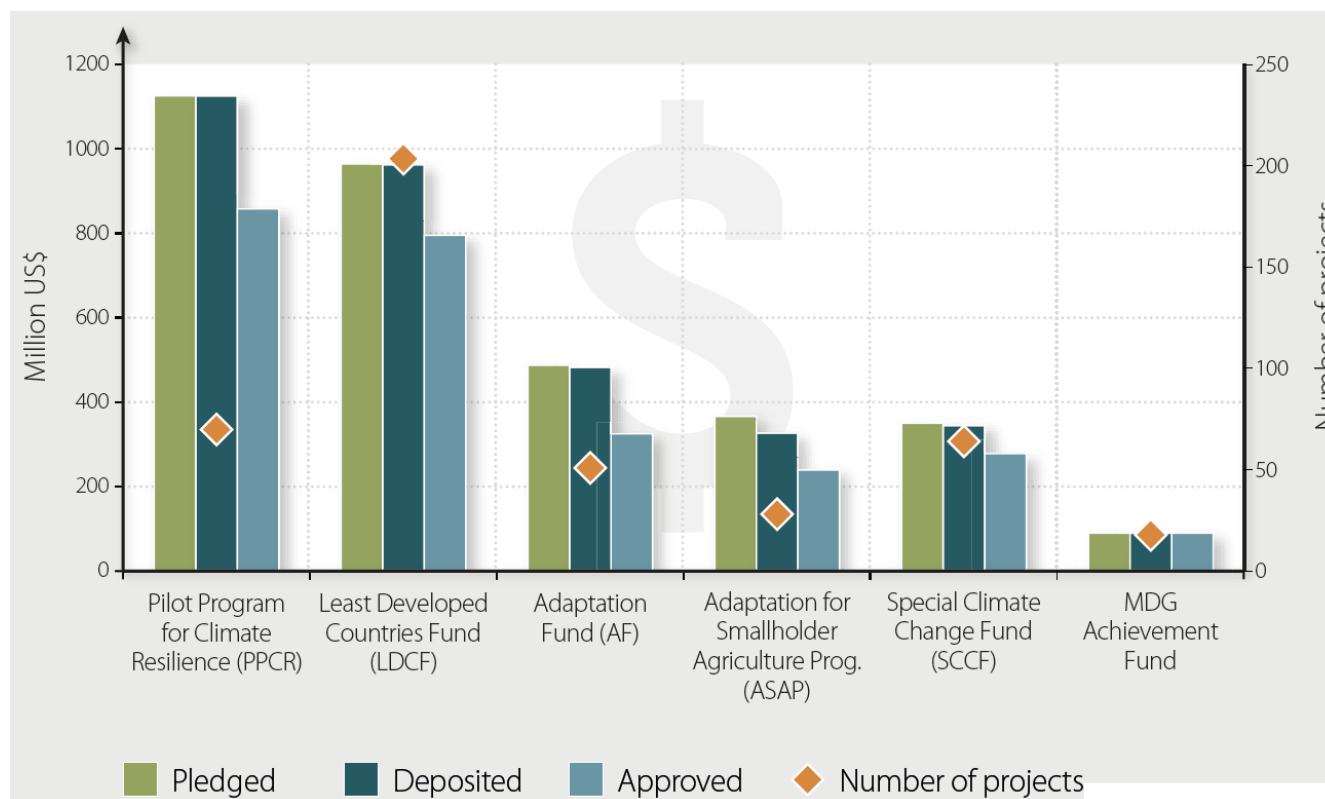
Adaptation increasingly mainstreamed into development assistance.



# Adaptation finance

US\$35 billion, 76% of resources, pledged to adaptation-focused climate funds approved for disbursement by end-2015.

Dedicated climate funds help break down barriers to investment and can catalyse adaptation-related investments.



# Adaptation finance

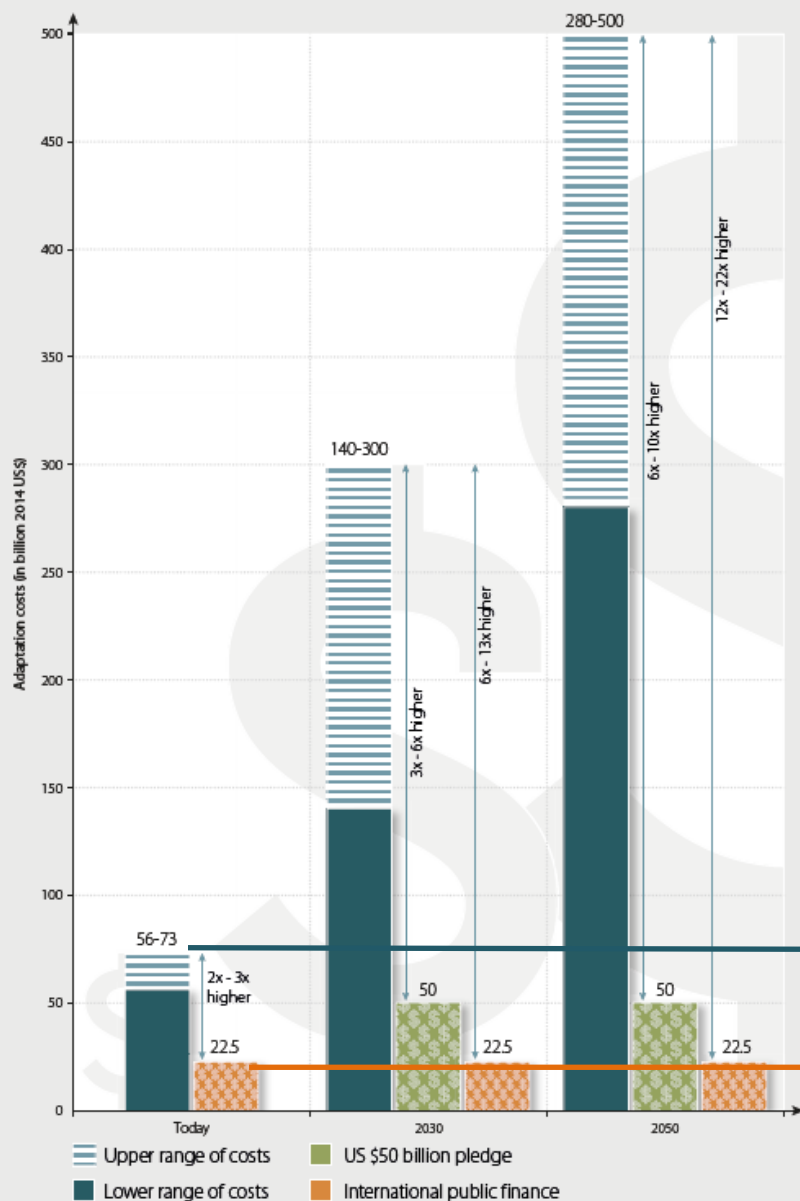
- Developed country contributions to adaptation-targeted funds remain low compared to mitigation-targeted funds.
- Improved tracking and reporting on international public financial flows is indispensable to ensure that finance is used efficiently and targeted where it is most needed.
- Public finance can help mobilise domestic private investment, but depends on incentives and policies.

# The adaptation finance gap



The **adaptation finance gap** can be defined and measured as the difference between the costs of meeting a given adaptation goal or target and the amount of finance available to do so.

# The adaptation finance gap



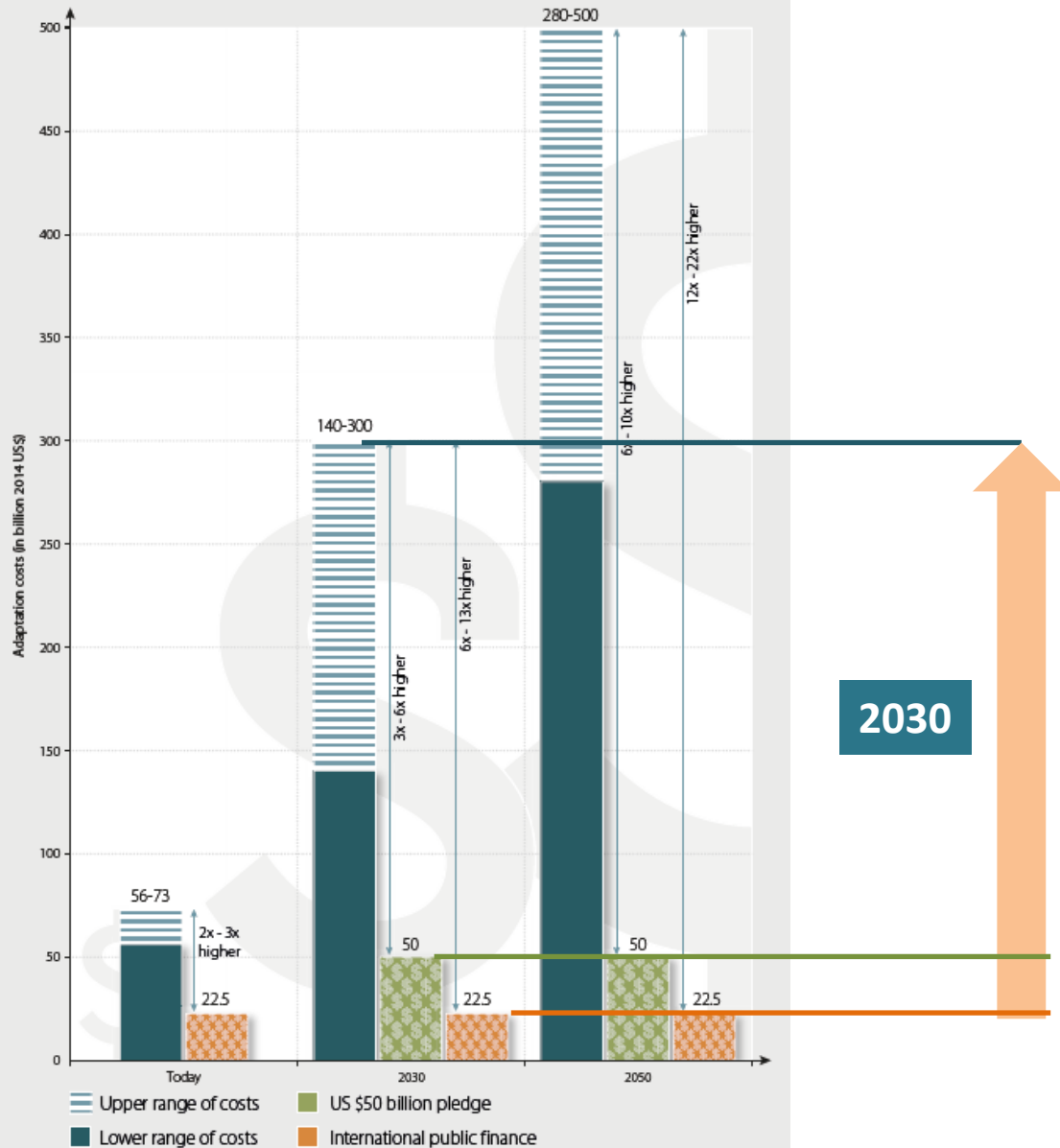
Now



Adaptation costs 2-3 times higher than current int. public finance

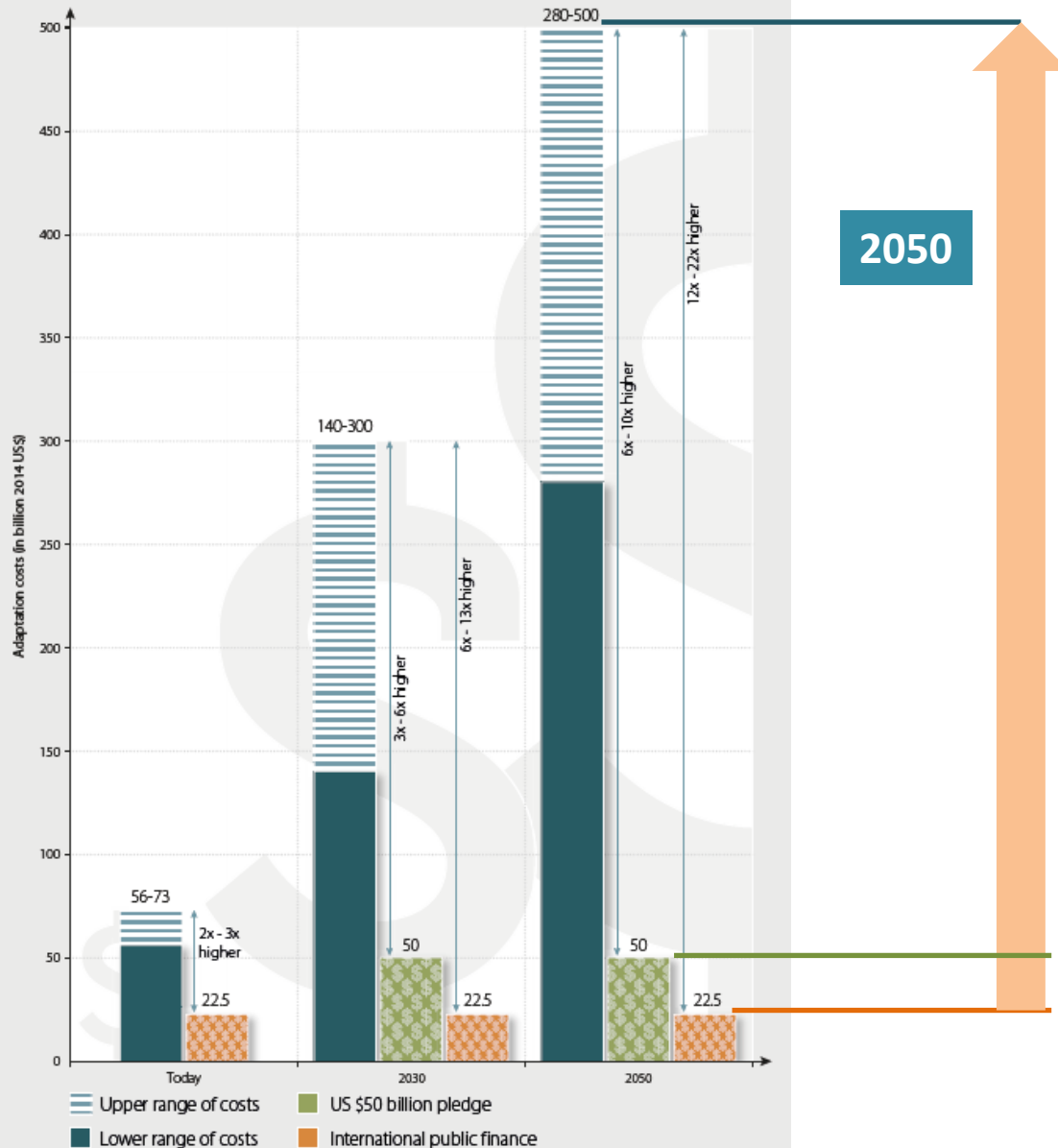


# The adaptation finance gap



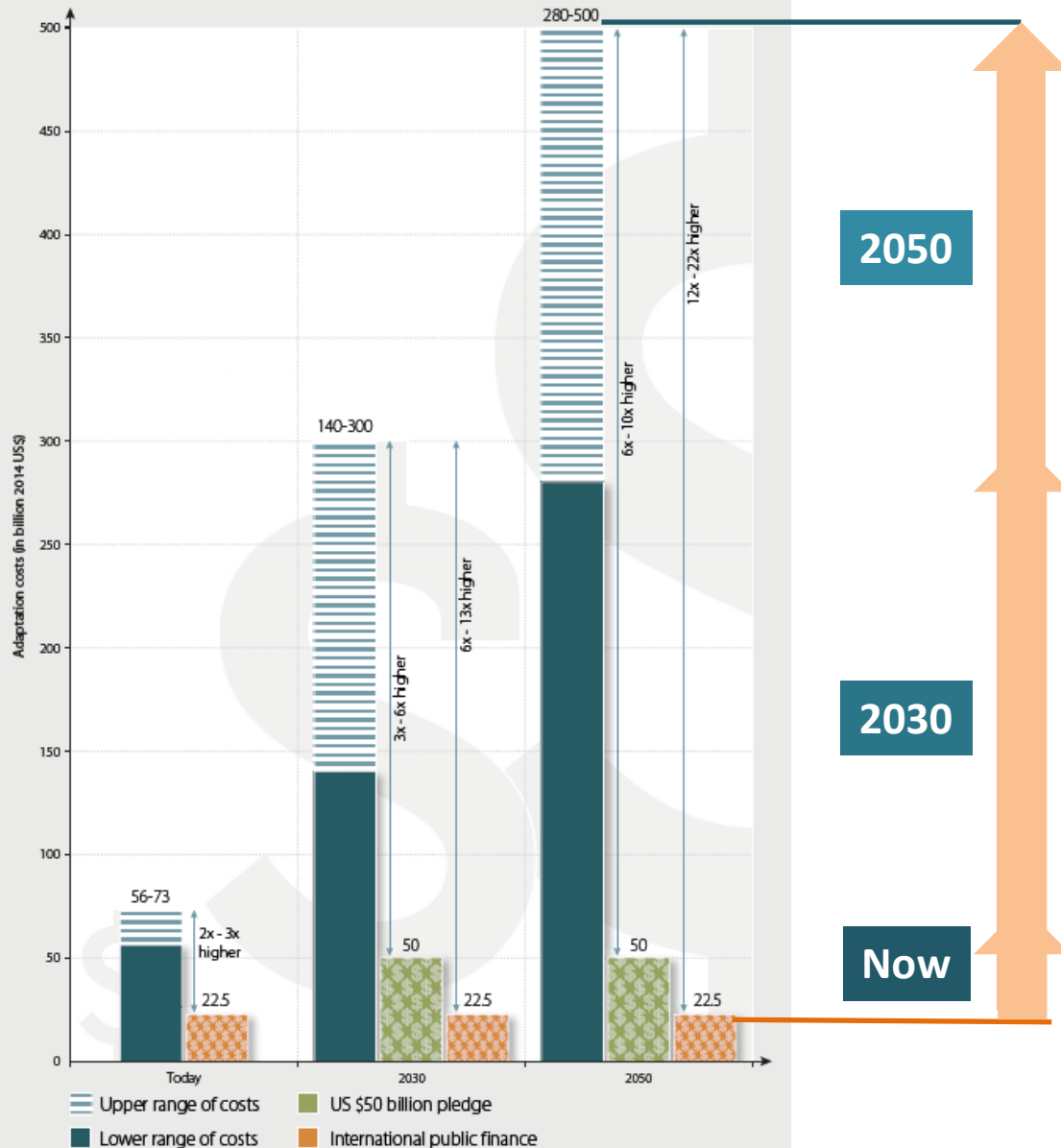
Adaptation costs:  
6-13 times higher than  
current int. public finance  
3-6 times higher than half  
the US\$100 bn  
commitment

# The adaptation finance gap



Adaptation costs:  
12-22 times higher than  
current int. public finance  
6-10 times higher than  
half the US\$100 bn  
commitment

# The adaptation finance gap



The gap is likely to grow substantially over the next decades.

Significant progress to secure new and additional finance and enhance mitigation ambition needed.

Today, developing countries already face an adaptation finance gap.

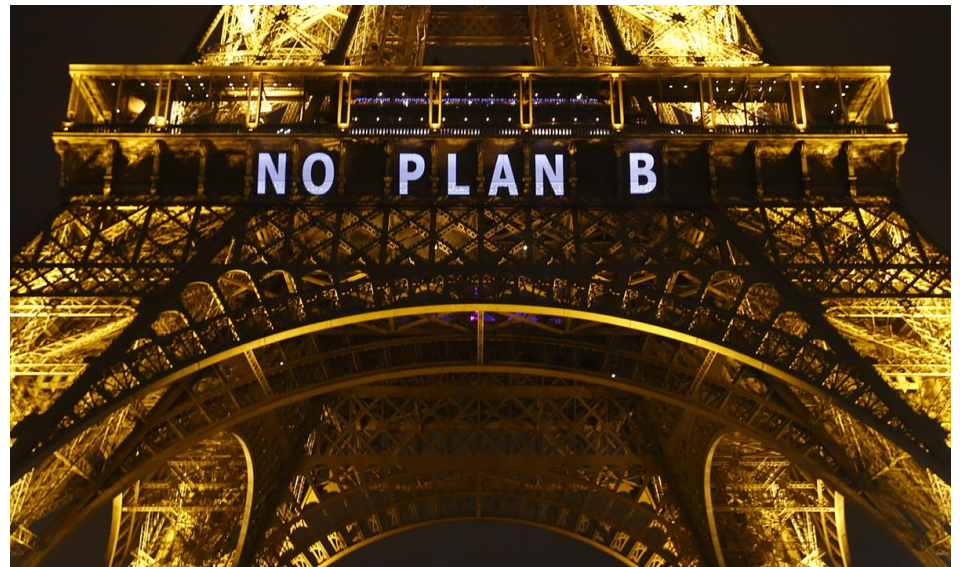
# Bridging the adaptation finance gap



# Bridging the adaptation finance gap

## The Paris Agreement - a framework for advancing adaptation

- Establishing a global goal for adaptation.
- Restating the commitment to increase developed country-party funding flowing to developing country parties.
- Requesting parties to draw-up and regularly update adaptation plans and strategies.



# Bridging the adaptation finance gap

## What is needed?

- Reduce adaptation needs, and thereby costs of adaptation.
- Scale up all sources of adaptation finance.
- Ensure effectiveness and efficiency of action.

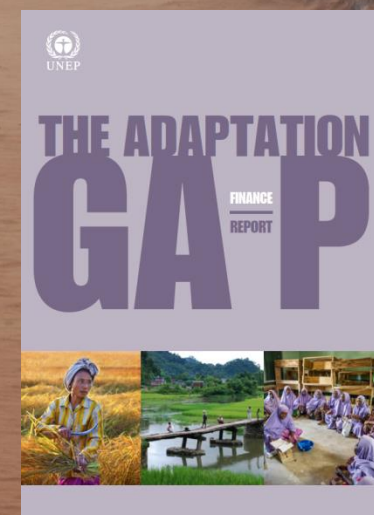
Implementation of the Paris Agreement can drive action in each of these areas.





**"The cost of doing nothing now will be astronomical in the long term."**

**- INDC, The Gambia**



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Report available at: <http://web.unep.org/adaptationgapreport/>

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