



EU approach to finance for adaptation:

Overview and examples

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Bonn – Germany

Etienne Coyette – European Commission – DEVCO



The EU context

*European Union :
27 Member States + European Institutions*

In this presentation ⇒ focus on European Commission (EC)

EU budget: set for a pluriannual period (6-7 years)

⇒ EC Finance for adaptation: from the EU budget

- Development cooperation
- Other policy areas
- Budget reserve : used for EC Fast Start Finance
- Other resources: European Development Fund



CC in EU action: Mainstreaming & integration

Two levels:

1. In the EU budget

- Current situation: policy guidelines
- Proposal for next financial period (2014-2020)
 - A set % of all budgets in all policy areas to be 'climate relevant'
 - ⇒ Includes agriculture, trade, regional cooperation and all external action instruments

2. In the EU development cooperation...

Adaptation is about building resilience...closely linked to sustainable development



Integration in EU development cooperation

Policy orientation

- « Agenda for change »: CC one of global challenges
- Environment and CC integration strategy

⇒ *Guidelines*

- Programming (2014-2020)
- Mainstreaming

⇒ *Tools*

- CC Screening fiches
- Sector scripts: CC in main sectors
- Information packages for EU Delegations and HQ staff
- **Training:** Headquarters, EU delegations and partner country stakeholders, GCCA



Integration in: Geographic allocations

Integration of CC into development strategies and programmes (crucial as 80% of total)

Relevant for all sectors

agriculture, health, infrastructure, education, tourism, trade

'climate-proofing' of development cooperation

Integration in: Thematic allocations

1. *Fast Start Finance*

2. *Calls for proposals & strategic actions*

pilot actions (seeking replication) and global initiatives

3. *Global Climate Change Alliance*

4. *Investment Facilities*

1. EC Fast Start Finance: Adaptation

EU on track

50 % allocated to adaptation

(the other 50 %: mitigation & REDD+)

Use of budget reserves

⇒ new and additional

In the future:

- Need for new mechanisms
- Several steps taken
- Ongoing debate in view of new financial framework



2. Calls for proposals and strategic actions: Pilot and global approaches

Support to pilot programmes

- Ecosystem-based adaptation
- Climate-smart agriculture
- Mainstreaming in country systems

Exchanges on innovative approaches

- Debt swaps for adaptation
- Payment for Ecosystem Services and adaptation

3. Global Climate Change Alliance...

Two pillars



Political dialogue

Regional
conferences

- Asia
- Africa
- Pacific
- Caribbean
- Brussels



Implementation

- Country programmes
- Regional programmes
- Priorities defined by Partner country / organisation
- Over € 260 million
- Over 32 countries and regional organisations

3. ...Global Climate Change Alliance

Policy Dialogue:

focus on topics of common interest

- Linking DRR and Adaptation
- Financing adaptation actions

Implementation:

- emphasis on integrating action in government's key strategies: national strategies, budget support
- increasing absorption capacities & empowering local actors
- Capacity building as a horizontal objective
- 5 priorities: adaptation, REDD+, mitigation (CDM), Disaster Risk Reduction, mainstreaming
- Most of programmes: adaptation and mainstreaming

4. Investment facilities

Why?

Some developing countries already asked loans for adaptation actions

How? *⇒ Setting climate windows*

- Builds on existing facilities
- Climate experts to screen proposed investments
- Climate-proofing
- Examples: waste management, water management, tourism,...

How? *⇒ Loans and grants*

- Grant money used to cover additional risks
- Will help mobilise additional resources for investments

Some questions for the future:

How to expand on succesful pilot approaches?

How to strengthen country systems?

Facilitating access to funds: direct access, absorption capacity...

How to increase private sector involvement while respecting country ownership?

Which new mechanisms for adaptation?

There will be increasing integration: adaptation...

- And ecosystems approaches (CBD, UNCCD,...)
- And disaster risk reduction
- And mitigation objectives: agriculture, energy, ...
- ...

Thank you!

More information?

www.gcca.eu

www.europa.eu/development

www.europa/climate action