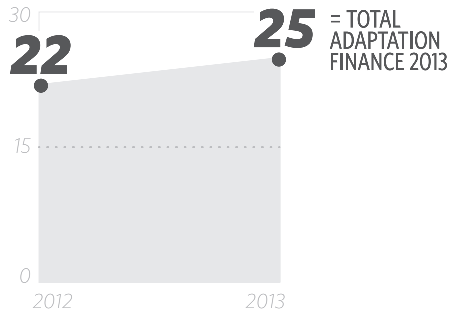
A CLOSER LOOK AT PUBLIC ADAPTATION FINANCE

CLIMATE POLICY INITIATIVE

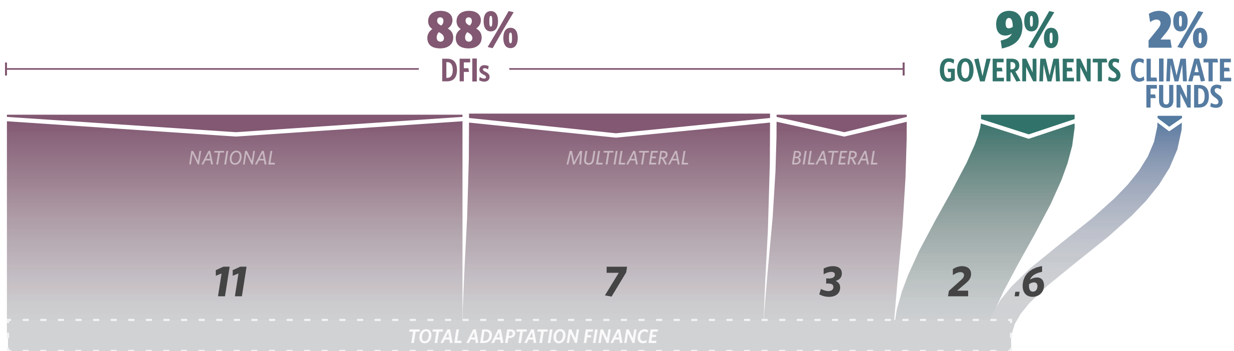
This overview illustrates public adaptation finance flows for the latest available year, mostly 2013, in USD billion.

Adaptation finance grew by at least 12% to $25 billion* from 2012 to 2013, but it falls short of the investment need in a world on a warming trajectory likely to exceed the 2 °C target.



WHO INVESTED AND HOW?

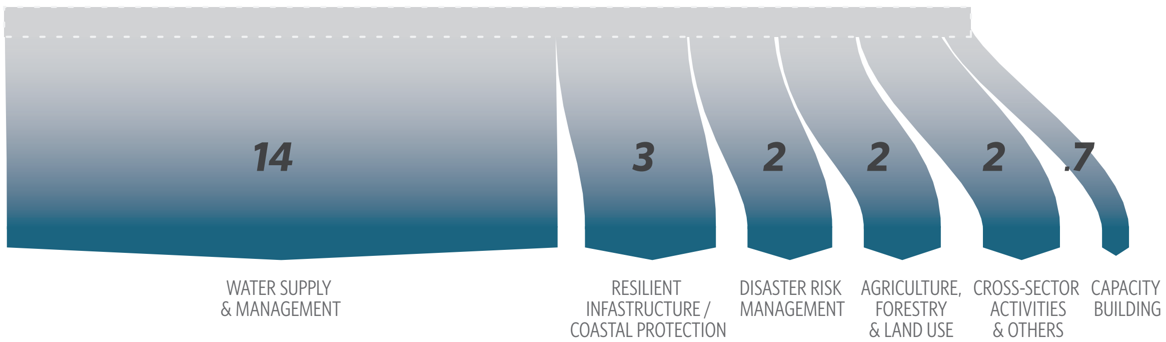
Development Finance Institutions (DFIs) were the dominant source of finance *for projects pursuing climate resilience objectives in developing countries. National DFIs invested about half of the total DFI flows, highlighting that significant domestic efforts are being made.*



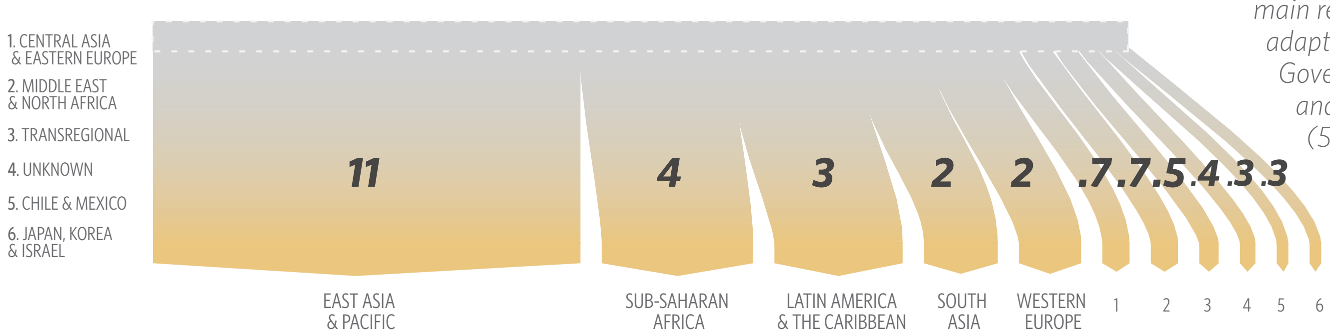
Adaptation activities were mainly financed through low-cost loans*, which accounted for 52% of the total ($12.9 bn) and were the main instrument used by DFIs. Grants represented 16% of the total ($3.9 bn) and made up the majority of governments' aid and Climate Funds' commitments.*

WHERE DID FINANCE GO?

The water supply and management sector attracted 66% of DFIs' commitments for adaptation*. Governments prioritized the agriculture and forestry sector (33% of their total) while Climate Funds mostly targeted multi-sectorial activities (32% of their total).*



About 90% of total adaptation finance ($22 bn) we captured was invested in developing (non-OECD) countries, of which $ 8 billion came from developed countries*. The East Asia and Pacific region was the main destination of total adaptation finance and the main recipient of DFIs' adaptation financing. Governments (31%) and Climate Funds (51%) committed most of their funding to countries in Sub-Saharan Africa.*



WHAT MORE NEEDS TO BE DONE?

Adaptation finance has to be scaled up. However, data gaps and comparability issues also hinder our ability to fully understand the true magnitude of flows. *Further efforts are needed to harmonize tracking approaches across organizations and to fill the data gaps on domestic public budgets expenditure and private investments in adaptation.*

For further information on methodology see Buchner et al. (2014) or contact chiara.trabacchi@cpivenice.org

** Breakdowns of the total figure may not add up to the total because of rounding.*