



Adaptation Finance

The status of climate finance : key
issues for Africa

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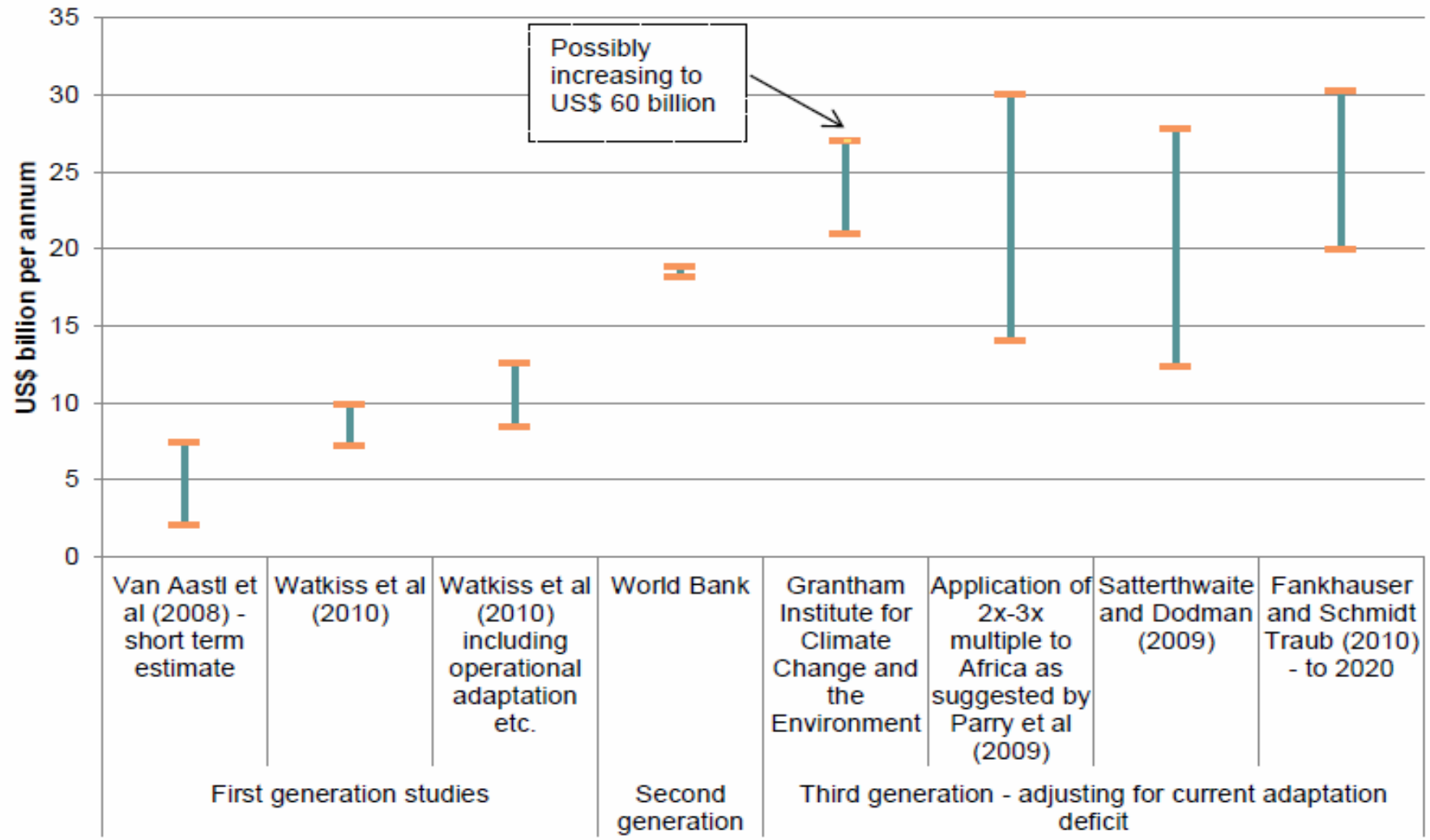
- **Key strategies and options for African negotiators**

Recent estimates of adaptation costs for developing countries

Assessment	Estimated adaptation costs in developing countries (billion USD per year)
UNFCCC (2007)	27-66
Parry et al (2009)	(more than) 54 -140
Project Catalyst (2009)	25-76
World Bank (2010)	75-100

Source: Fankhauser (2010), World Bank (2010)

Recent estimates of adaptation costs for Africa (per year by 2030)



Adaptation finance for Africa

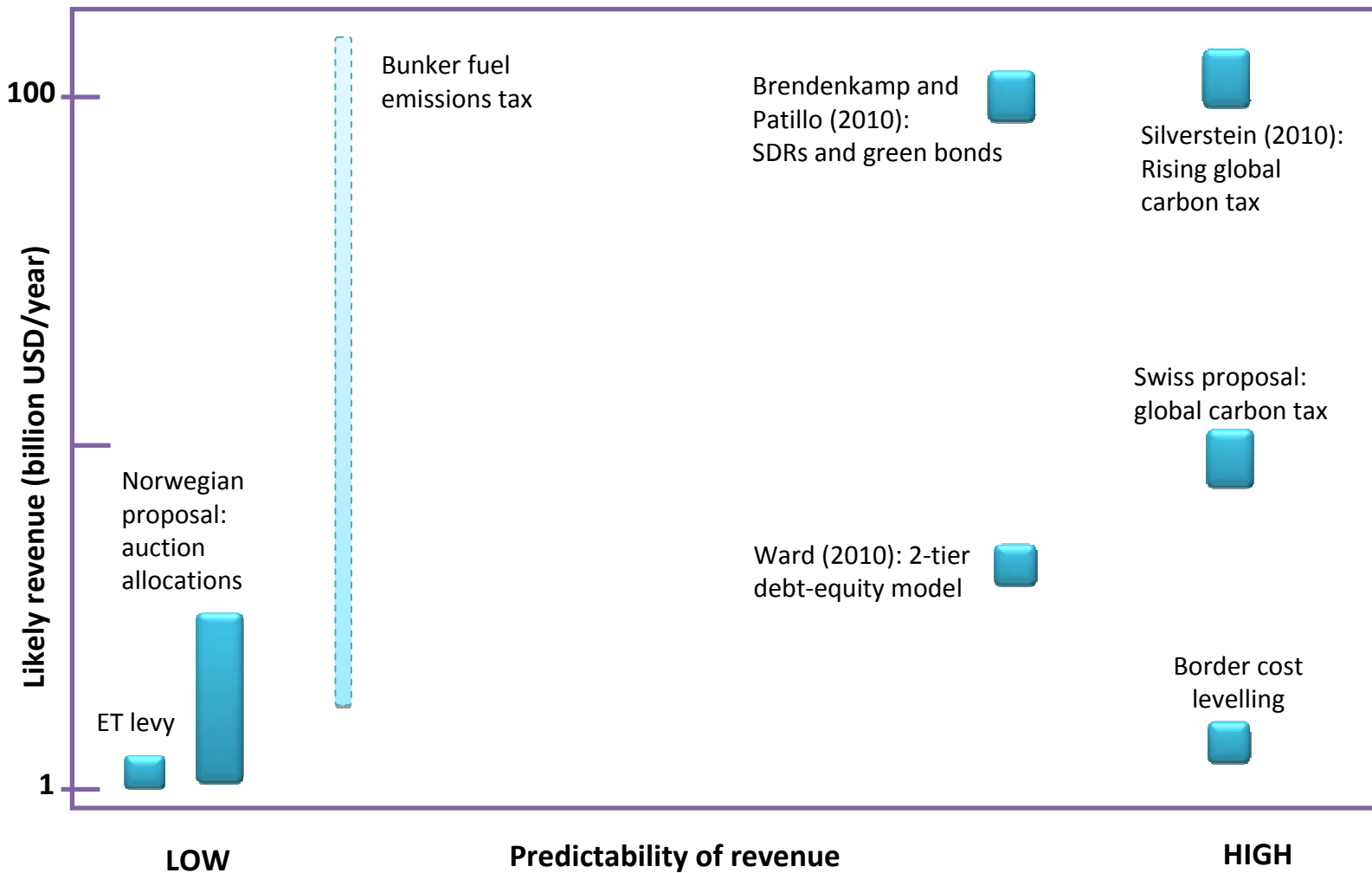
(in US\$ million, as on 28 March 2012)

	Total pledged	Approved for Sub-Saharan Africa	Disbursed to Sub-Saharan Africa
Dedicated funds for adaptation			
Adaptation Fund	116	34	6
Pilot Programme for Climate Resilience	1208	73	1
Special Climate Change Fund	217	20	16
Least Developed Countries Fund	415	107	75
<i>Sub-total</i>	<i>1956</i>	<i>234</i>	<i>98</i>
Other funds for adaptation			
International Climate Initiative	851	12	
Global Climate Change Alliance	226	60	3
GEF Trust Fund - climate change focal area (GEF5 2010-14)	1.5	1	1
<i>Sub-total</i>	<i>1079</i>	<i>73</i>	<i>4</i>
Total	3035	307	102

Source: Climate Funds Update website

Note: GEF5 figure shows funding marked for multiple foci (not specifically adaptation).

Selected proposals to generate climate finance



Source: Adapted from Hof et al (2011) and others

Methods to raise Finance for Adaptation

- Making Adaptation Finance investment grade
- Risk management for Mobilizing Finance for Adaptation
- Characterization of risk
- The role of Real Options
- The role of Financial Gradients

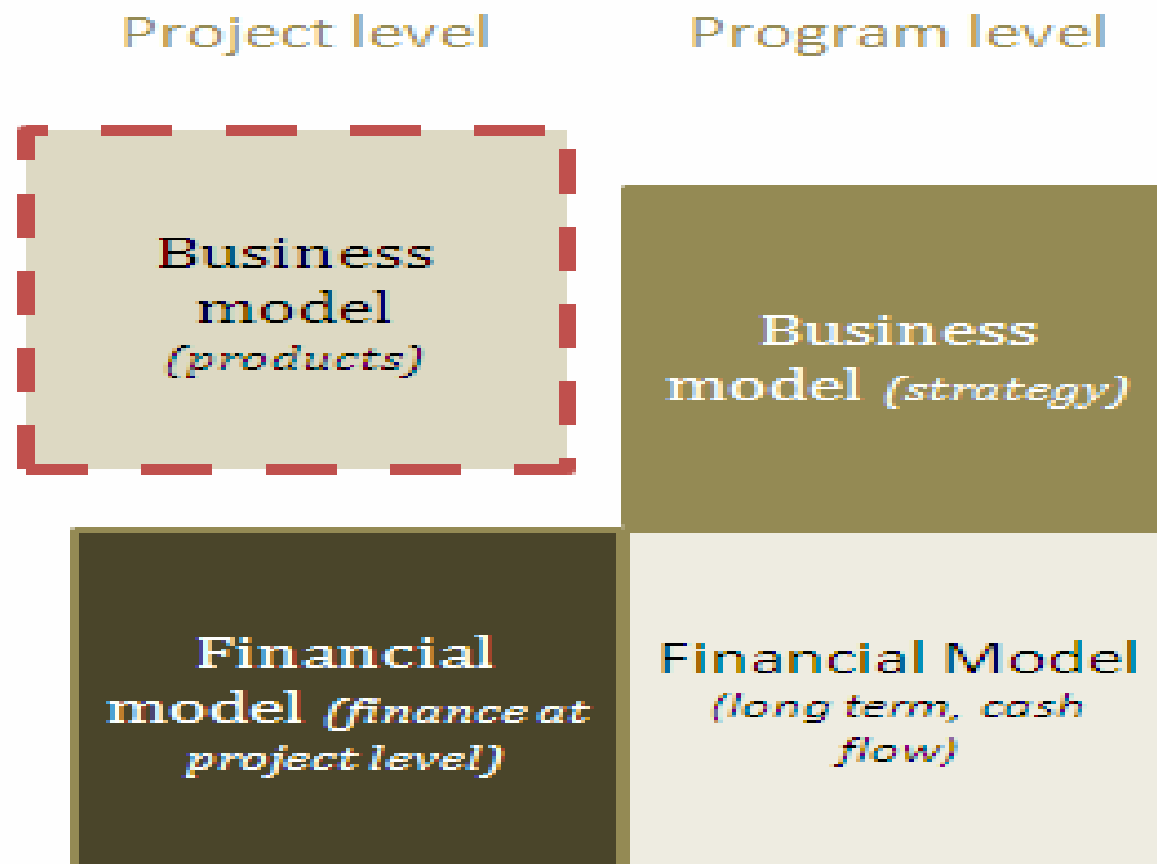


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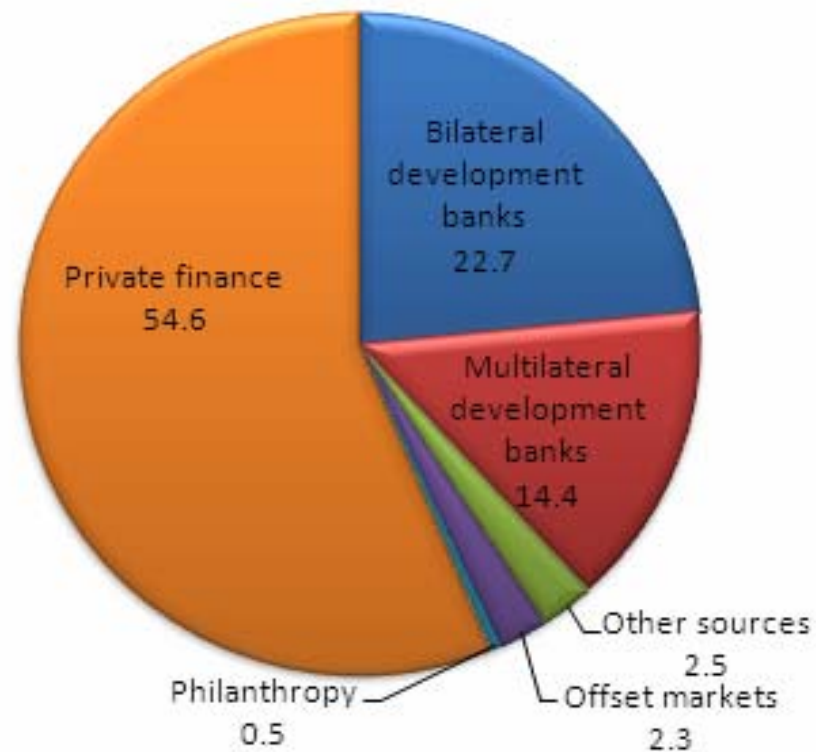
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Interaction of business and financial models in implementing adaptation or sustainable development projects



Climate finance flows to developing countries in 2009-10 (in US\$ billion)



Source: The Economist (2011), with data from Buchner et al (2011)

Key strategies and options for African negotiators

- Raising funds
- Accessing a range of financing sources to scale up adaptation
- Managing risks to attract private capital (or investment grade finance)
- Offering a pipeline of projects



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Thank You !!

Arnab Bose
arnab.bose@teri.res.in