

Briefing

Doubling adaptation finance: a floor not the ceiling of needs

By Dr Tabea Lissner, Dr Adelle Thomas, Emily Theokritoff

June 2022

In a recent statement, G7 foreign ministers acknowledged the urgent need to “scale up climate finance for adaptation in line with the Glasgow call to **at least double the collective provision of adaptation finance 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”.¹

It has been estimated that adaptation finance was roughly USD 20 billion per year in 2019.² A doubling of efforts, as agreed in the Glasgow Climate Pact and reiterated by the G7 ministers, would bring adaptation finance into the vicinity of \$40 billion.³

At this rate we would fall woefully short of what the latest science from the IPCC and the 2021 Adaptation Gap Report tell us will be needed (Figure 1). Median values for cost estimates stand at USD 127 billion in 2030 and USD 295 billion in 2050. This may sound prohibitively large, but in comparison fossil fuel subsidies stood at USD 440 billion in 2021.⁴

¹ <https://www.auswaertiges-amt.de/en/newsroom/news/-/2531240>

² <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf>

³ <https://www.unep.org/news-and-stories/story/what-does-cop26-mean-adaptation>

⁴ <https://www.iea.org/topics/energy-subsidies>

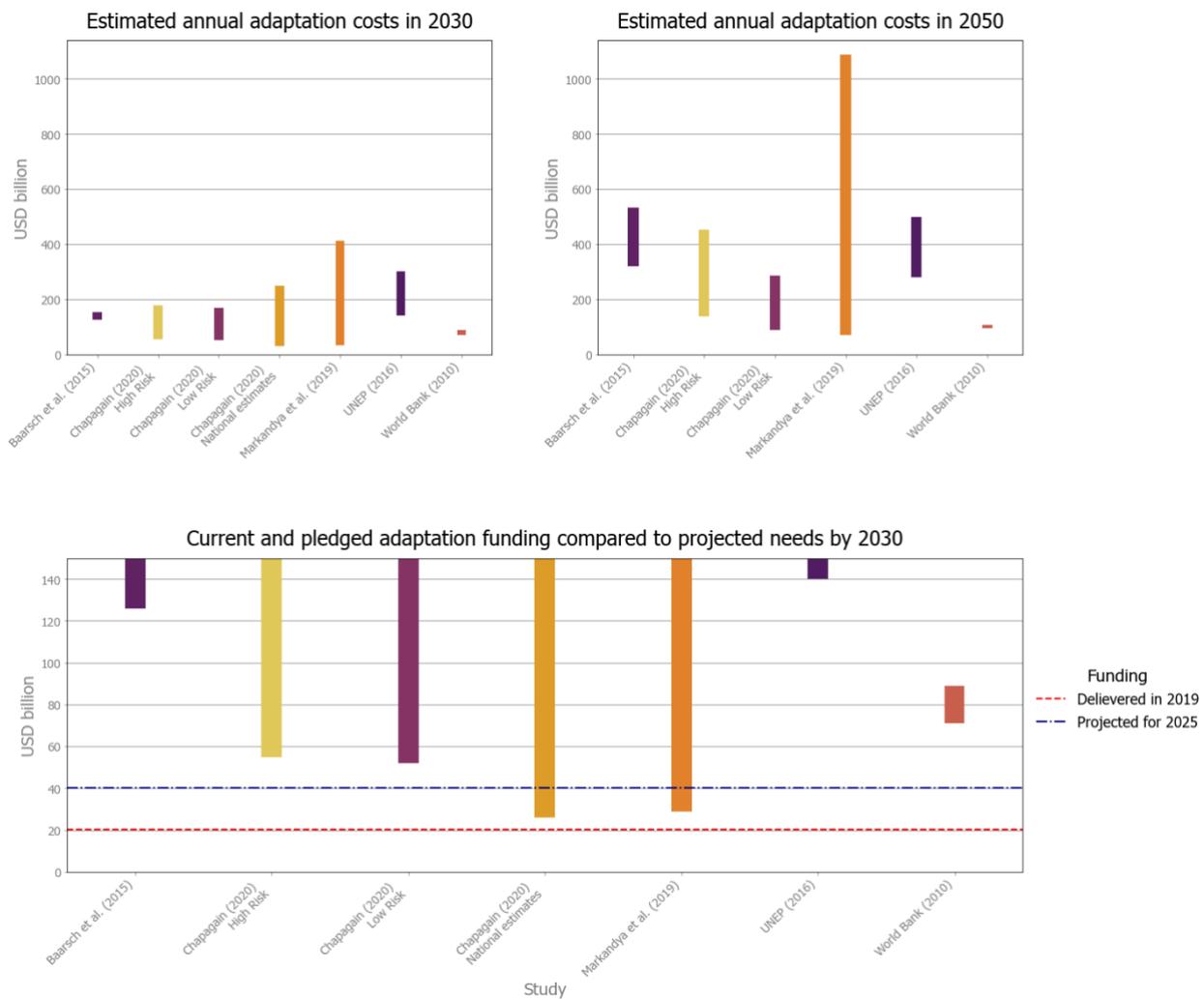


Figure 1: Comparison of recent studies that estimated developing country adaptation costs in billion USD (in 2005 prices) per year, for panel a) 2030 and panel b) 2050 based on Chapagain et al. (2020) and IPCC. Panel c) shows the currently tracked adaptation finance (2019 values) and pledged doubling by 2025 relative to the lower bounds of estimated adaptation costs from panel a).

Where to do we stand on adaptation finance?

The Paris Agreement (Article 9.4) states that scaled-up provision of climate finance should achieve a balance between adaptation and mitigation. The Copenhagen commitment made by developed countries to scale up finance provision to developing countries to USD 100 billion per year has so far not been achieved, and less than 20% of these resources have gone towards adaptation.⁵

The G7 finance ministers have recently reiterated their commitment to achieving the collective goal of mobilising at least USD 100 billion per year, with the expectation for this to be met by 2023.⁶

⁵ IPCC, 2022: Technical Summary of the WGII contribution to the AR6; TS.D.10.2

⁶ https://www.bundesfinanzministerium.de/Content/EN/Downloads/G7-G20/g7-meeting-bonn-koenigswinter-communicue-en.pdf?__blob=publicationFile&v=10

In light of the accumulated finance shortfalls from delaying delivery on this goal by at least three years, and a backdrop of global inflation, increasing the global commitment to beyond USD 100 billion per year – or beyond USD 50 billion for adaptation, respectively, would be required. Deliberations on a new collective quantified goal on climate finance should be science-based and informed by needs of developing countries.