

Quick off the blocks?

UK adaptation finance and integrated planning

This new report by CAFOD and Tearfund asks whether – and how – UK finance is effectively contributing to integrated planning for adaptation to climate change impacts in developing countries. It analyses adaptation financing in Bangladesh, Nepal and Niger.

The report shows that UK bilateral finance has contributed substantially to an integrated response, supporting countries' adaptation plans and a coordinated approach across ministries. However, finance channelled via the World Bank – the overwhelming majority of UK funds – appears to have delivered less well for poor people.

The UK should build on the positive lessons from its bilateral funding and ensure multilateral funds deliver adaptation that works for the poorest and most vulnerable communities.



Ralph Hodgson / Tearfund

The five core building blocks of an integrated approach to adaptation planning

- 1 Strong institutional frameworks and clear political leadership
- 2 A comprehensive, country-owned adaptation strategy and action plan
- 3 Country-owned adaptation financing mechanisms
- 4 Ongoing and improved sharing of learning and communication on climate change and variability and on adaptive practices to inform dynamic decision-making
- 5 Reflection of local issues in national policy, planning and implementation.

(These building blocks are outlined in Tearfund's 2011 report, *Adaptation United*.)

International and UK support for adaptation

The cost for developing countries of adapting to the impacts of climate change is estimated to be at least US\$ 100 billion a year.¹ If we fail to reduce our CO₂ emissions, adaptation needs will become more acute, given the intensifying impacts of changing weather patterns and increased disasters. This is particularly true for people living in poverty, who have the fewest resources to adapt.

The UK has shown leadership in getting 'off the blocks' quickly by providing adaptation funding, predominantly to least developed countries, and in committing £2.9 billion for climate action for 2010–2015. The UK will also spend 50 per cent of its International Climate Fund (ICF) on adaptation. This compares favourably with the global position, where just 19 per cent of climate finance has been spent on or pledged for adaptation.²

However, there remains a pressing need to raise new climate finance to support poorer countries' adaptation. But it is also vital to consider how these funds are delivered and, in particular, how well they are integrated into a country's own planning.

How the UK is currently spending adaptation finance

To date, the UK has given 75 per cent of its adaptation finance through the Pilot Programme for Climate Resilience (PPCR) – part of the Climate Investment Funds (CIFs) managed by the World Bank. The UK is the largest donor to the PPCR. The PPCR has not performed well against criteria of country ownership and active participation of affected citizens and local actors. One key finding was that the developing country officials felt frustrated by the apparent dominance of the multilateral development banks (MDBs) in shaping PPCR programmes, putting their priorities above national plans.

An over-emphasis on short-term, rapid results has also meant that PPCR programmes are often not integrated into national plans. Although UK bilateral finance highlights its commitment to 'local empowerment and mutual accountability between those most affected by climate and decision-makers',³ there is little evidence that the PPCR places sufficient value on the views of local stakeholders in decision-making processes.

Although the PPCR scored well in the Multilateral Aid Review (MAR) in 2011, future MARs should assess whether multilateral funds are ensuring adaptation is integrated fully into development planning, as per the five building blocks in the box overleaf. Such integration should be a criterion of success.

Future delivery of adaptation finance through the Green Climate Fund

The UK has said it will make a 'substantial contribution' to help establish the new Green Climate Fund (GCF),⁴ destined to become

'The International Climate Fund will help poor countries to protect the lives and jobs that are most at risk from climate change. It will support poor countries to adapt farming to a changing climate, protect precious water resources, and help poor people cope with more extreme weather events.'

Andrew Mitchell, former UK Secretary of State for International Development

the main vehicle for climate finance delivery. This new GCF offers an opportunity for developed country donors to learn lessons from existing adaptation funds, such as the PPCR. The UK government has a seat on the GCF Board; it should use its position and track record to champion strong country ownership and community participation in designing the way the GCF functions. Tearfund and CAFOD think that the UK should actively support the GCF as the primary channel for international climate finance, phasing out their support for the CIFs and redirecting contributions to the GCF.

Quick off the blocks: recommendations

- The UK, as the largest donor to the PPCR and with good bilateral practice, should ensure that multilateral funding is fully aligned with country plans, achieving cohesion across sectors and ministries and avoiding duplication of national adaptation plans. For instance, DFID offices in-country could be more involved in multilateral adaptation initiatives.
- UK adaptation finance must reach the poorest and most vulnerable communities and respond appropriately to their medium- and longer-term adaptation needs, as well as to

immediate needs. Programmes should include processes for sharing learning and for genuine participation of affected communities and civil society.

- Equally, programmes should not be driven by the need to show only short-term results and by the priorities of donors and/or implementing agencies. The UK government's Multilateral Aid Review (MAR) should assess whether multilateral funds are delivering on the building blocks of integrated planning. This should be a criterion of success. Ideally, the UK should conduct a robust, independent and participatory evaluation of the PPCR and other CIFs to learn lessons for the design of the GCF.

- 1 World Bank (2010) *The costs to developing countries of adapting to climate change: new methods and estimates. The global report of the economics of adaptation to climate change study*. World Bank, Washington DC
- 2 IIED (2011) *Adaptation finance: how can Durban deliver on past promises?* Briefing, November 2011. Available at: <http://pubs.iied.org/pdfs/17115IIED.pdf>
- 3 Written response from DFID UK to the authors (4 November, 2011)
- 4 Quoted in E2B article (13 January, 2012) 'Huhne: on course to be greenest government ever'. Online at: <http://www.e2bpulse.com/Publisher/Article.aspx?ID=296095>



Peter Canon / Tearfund

The full report is available at: <http://tilz.tearfund.org/Research/Climate+change+reports/> or <http://www.cafod.org.uk/Policy-and-Research/Environment-and-climate-change>

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