



# Adaptation Finance

7th October, 2021

17:30 – 19:00 IST | 14:00 – 15:30 CET | 12:00 – 13:30 GMT

Under Article 7 of the Paris Agreement, the ideas of adaptation and resilience building activities are understood to be aimed at reducing climate vulnerability, supporting sustainable development and the formation of societies with high adaptive capacity. Thus, it can be said that climate adaptation requires a broad transformation of economies, with a cross-sectoral approach, working across policy domains, actors and governance levels. At the same time, adaptation is also understood to be hyper-contextual and specific to the geographical and spatial context, necessitating working with local actors, and in many cases, smaller scale of projects. From the perspective of mobilizing finance for adaptation, this complex understanding of adaptation activities itself acts as a barrier, resulting in the roles of public and private sector actors not being clear and climate adaptation continuing to be challenged with inconsistent and constrained fund allocation.

According to the Adaptation Gap report of 2020, adaptation finance requirements in developing countries is estimated at USD 70 billion per annum, projected to rise to USD 140- 300 billion per annum by 2030, and further to USD 280-500 billion per annum by 2050. This huge and increasing gap in adaptation finance has been recognized by the global community, with several MDBs and funders committing to increase their adaptation finance allocations through various programmes and initiatives in the coming years. However, this is also resulting in another growing issue in the area of adaptation finance – fragmentation of funding instruments, channels and initiatives at the international, regional and national levels, with a missed opportunity for cross-sectoral and cross-regional synergies.

While governments and international public funds are critical for catalyzing adaptation action and mainstreaming adaptation into national plans and policies, the private sector is touted to be the major source of financing such interventions. But, despite several initiatives, the private sector has not been suitably encouraged and mobilized to invest in climate adaptation. A basic reason for this is that there isn't a clear understanding on what constitutes mobilized private finance for adaptation and how this is to be accounted for, tracked and reported.

With this background, in this plenary, the discussion will seek to understand the developments in the areas of adaptation finance, highlight key learnings and deliberate on the way forward for strengthening climate adaptation with support from the finance required. To structure the discussion, the following key questions are put forth to the speakers:

1. How has the issue of financing climate adaptation evolved since the Paris Agreement? What have been the successes and the failures on this aspect?
2. Is there a need for increasing uniformity in adaptation finance instruments (as is the case with carbon pricing and carbon markets) to make them more scalable and replicable?
3. What is a reasonable role for private sector actors to play for financing adaptation? Where are they most required to invest and what barriers do they face?
4. Which financing instruments and channels have high potential to be used for financing adaptation? What is the feasibility of using innovative financial mechanisms – like payment for ecosystem services, forest or blue bonds – for scaling up adaptation actions in the short run?
5. What is needed for strengthening financing for climate adaptation while developing enhanced commitments and framing the new collective climate finance goal?

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### TENTATIVE AGENDA

17:30 – 17:40 IST 14:00 – 14:10 CET 12:00 – 12:10 GMT	<b><u>Moderator</u></b> (10 mins) <ul style="list-style-type: none"><li>• Mr. RR Rashmi, <i>Distinguished Fellow, TERI</i></li></ul>
17:40-17:45 IST 14:10-14:15 CET 12:10-12:15 GMT	Poll of the session to be managed by the moderator (5 mins)
17:45 – 19:00 IST 14:15 – 15:30 CET 12:15 – 13:30 GMT	<b><u>Panellists</u></b> (75 mins) <ul style="list-style-type: none"><li>• Ms Cinzia Losenno, <i>Senior Climate Change Specialist, European Investment Bank</i></li><li>• Mr. Abhas Jha, <i>Practice Manager (Climate Change and Disaster Risk Management), South Asia Region, World Bank Group</i></li><li>• Dr. Ania Maria Wanda Grobicki, <i>Deputy Director for Adaptation at the Green Climate Fund</i></li><li>• Mr. Mikko Ollikainen, <i>Manager, Adaptation Fund</i></li><li>• Ms. Rajashree Ray, <i>Economic Advisor, MoEFCC</i></li><li>• Dr. Romain Weikmans, <i>Finnish Institute of International Affairs</i></li><li>• Dr. Henry Neufeldt, <i>Head, Impact Assessment and Adaptation, UNEP DTU Partnership</i></li></ul>
Discussion (through the chat box managed by the facilitator)	

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