Tagging and Tracking Adaptation Finance

Experiences from the Adaptation Finance Accountability Initiative
INTRODUCTION TO AFAI
Adaptation Finance Accountability Initiative

Global partnership to promote accountability of adaptation finance at the national level
Adaptation Finance Accountability
WHERE IS INTERNATIONAL ADAPTATION FINANCE GOING?
Recipients of Adaptation Finance

OECD vs. UNFCCC Reporting (In USD Thousands)

Sources: UNFCCC and OECD CRS.

OECD CRS figures include adaptation-relevant funding only.
Sectoral Distribution

- How much adaptation finance is available within developing countries?
- How is it being directed and used and by whom?
- Is it reaching the local level and addressing the needs of the most vulnerable people?
Adaptation flows and priorities: Philippines

<table>
<thead>
<tr>
<th>ADAPTATION PRIORITIES</th>
<th>INTERNATIONAL ADAPTATION FINANCE FLOWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Food security</td>
<td>■ 47% reconstruction and rehabilitation</td>
</tr>
<tr>
<td>2. Water sufficiency</td>
<td>■ 20% environment</td>
</tr>
<tr>
<td>3. Ecological and environmental stability</td>
<td>■ 11% agriculture.</td>
</tr>
<tr>
<td>4. Human security</td>
<td>■ 10% disaster prevention and preparedness</td>
</tr>
<tr>
<td>5. Climate friendly industries and services</td>
<td>■ 8% not indicated.</td>
</tr>
<tr>
<td>6. Sustainable energy</td>
<td>■ 5% other sectors</td>
</tr>
<tr>
<td>7. Knowledge and capacity development</td>
<td></td>
</tr>
</tbody>
</table>
WHAT COUNTS?
What Counts?

• Perceptions vary greatly

• Tendency for contributors to overestimate adaptation relevance of projects

• 17% reduction in finance commitments for adaptation relevance (average for four countries)
What counts as adaptation finance?

**Addressing Drivers of Vulnerability**
- Programs focused on poverty reduction, health, diversification of livelihood strategies, etc

**Building Response Capacity**
- Developing networks, capacity building, research into farming practices, etc

**Managing Climate Risks**
- Developing monitoring capacity, collecting climate data, executing risk assessments, etc

**Confronting Climate Change**
- Improving flood defenses, reducing the risk of glacial lake outburst floods, etc

*Source: WRI*
CHALLENGES TRACKING
ADAPTATION FINANCE
## Tracking OECD DAC funding using RIO Markers

<table>
<thead>
<tr>
<th>Country</th>
<th>Total entries</th>
<th>Project number (%)</th>
<th>Short description (%)</th>
<th>Project title (%)</th>
<th>Start date (%)</th>
<th>Completion date (%)</th>
<th>Implementing partner name mentioned (%)</th>
<th>Geography (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal</td>
<td>153</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>90</td>
<td>88</td>
<td>37</td>
<td>24</td>
</tr>
<tr>
<td>Philippines</td>
<td>238</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>73</td>
<td>71</td>
<td>57</td>
<td>15</td>
</tr>
<tr>
<td>Uganda</td>
<td>216</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>78</td>
<td>79</td>
<td>58</td>
<td>27</td>
</tr>
<tr>
<td>Zambia</td>
<td>136</td>
<td>99</td>
<td>100</td>
<td>93</td>
<td>90</td>
<td>93</td>
<td>70</td>
<td>14</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>99</strong></td>
<td><strong>100</strong></td>
<td><strong>93</strong></td>
<td><strong>83</strong></td>
<td><strong>83</strong></td>
<td><strong>55</strong></td>
<td><strong>20</strong></td>
<td></td>
</tr>
</tbody>
</table>
Example: Nepal

- Using climate change budget code

- High level figures available; below national level remains limited

- Some data at household level but generally information at district level dispersed and difficult to obtain
Challenges

• Budget tagging and tracking can be used to monitor allocations

• Not able to track adaptation activities down to district and local level

• Difficulty to make sure funds are targeting the most vulnerable

• How to keep track of off budget investments?
TOWARDS BETTER TAGGING AND TRACKING
What do we want to know?

• Are sufficient resources being allocated
• Are we making progress implementing climate strategy/plan
• Are resources being utilized effectively and efficiently
• Are we building the resilience of men and women
• Are we redressing vulnerabilities
What Counts as Adaptation

Objectives fit within national policy
Activities link back to local context

Translation of national priorities to local context
Statement of intent to address climate change
Provide input for design

Services / Support
Monitoring
Recommendations

• Demand more information from contributors
• Need guidelines
• Delegate tagging to lowest level possible
• Allocations and expenditures
• Include rationale for labeling adaptation relevant
Towards better tagging and tracking

- Clear guidelines
- Budget plans and expenditures
- Delegate to lowest level possible
- Include rationale for labeling adaptation relevant