An Assessment of the **Doubling of Adaptation Finance in Africa**.

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1.0. INTRODUCTION

The IPCC defines adaptation differently in human systems and natural systems.[1] In human systems, adaptation is defined as “the process of adjustment to actual or expected climate and its effects in order to moderate harm or exploit beneficial opportunities.” In natural systems, adaptation is “the process of adjustment to actual climate and its effects.” The United Nations Framework Convention on Climate Change (UNFCCC) defines adaptation more broadly, as adjustments in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects[2]. These definitions are influential for understanding adaptation, adaptation policy and finance at the multilateral level.

Climate change is currently the biggest threat to development in Africa. Extreme weather events such as floods, droughts, heatwaves and wildfires have become more intense and frequent due to climate change, resulting in loss of lives and livelihoods and significantly impacting the GDP of the affected countries. Africa is currently a minor carbon contributor, emitting less than 1.6 billion tons of CO_2 equivalent from fossil fuel use, constituting less than 5% of the associated global emissions.[3] Despite this, it faces the brunt of climate change. Recent analysis by the IPCC shows increasing vulnerability, reducing adaptive capacity and weakening resilience in Africa, attributed to the adverse impacts of climate change.[4] The Adaptation GAP report confirms these findings, reinforcing that adaptation must be the primary priority for Africa in the face of climate change.

Building on the scientific evidence demonstrating the urgent need for adaptation, especially in Africa, the UNFCCC has attempted to prioritise adaptation by declaring the inseparable nature of mitigation and adaptation in a developing context in its decisions. This is already highlighted in Article 2.1(b) of the Paris Agreement. The importance of adaptation strategies is highlighted, as well as the development of different policy documents and reports that facilitate adaptation strategy and action planning under the UNFCCC and its Paris Agreement, including LT-LEDS, National Adaptation Plans and full scope NDCs. This piece of work provides an overview of the adaptation finance landscape in Africa, with a focus on assessing progress on the Doubling of Adaptation Finance goal. Finally, specific recommendations and opportunities for reaching adaptation finance needs are made.

1 https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_FullReport.pdf

2 https://unfccc.int/topics/adaptation-and-resilience/the-big-picture/introduction

3 https://futures.issafrica.org/thematic/14-climate-change/

4 https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_FullReport.pdf

2.0. ADAPTATION FINANCE NEEDS FOR AFRICA

There is a direct correlation between climate change impacts and adaptation support needs. As such, the increasing impacts of climate change in Africa continue to increase the amount of adaptation support needed in the region, where impacts are high but adaptive capacity and resources for adaptation are low. The Second Needs Determination Report (NDR)[5] published by the UNFCCC Secretariat in 2024, assessed needs communicated by Parties in reports and policy documents, including National Communications (NCs), Biennial Update Reports (BURs), Technology Action Plans (TAPs), Technology Needs Assessments (TNAs), Adaptation Communications (Adcoms), NDCs, NAPs, and LT-LEDs. The latest reports submitted by each Party as at 30 June 2024, a total of 754 national-level reports from 154 Parties, were included in the overview of needs. The figure below shows the overview of adaptation finance needs by report type.

OVERVIEW OF NEEDS, INCLUDING COSTED NEEDS, IDENTIFIED BY DEVELOPING COUNTRY PARTIES, BY TYPE OF NATIONAL REPORT

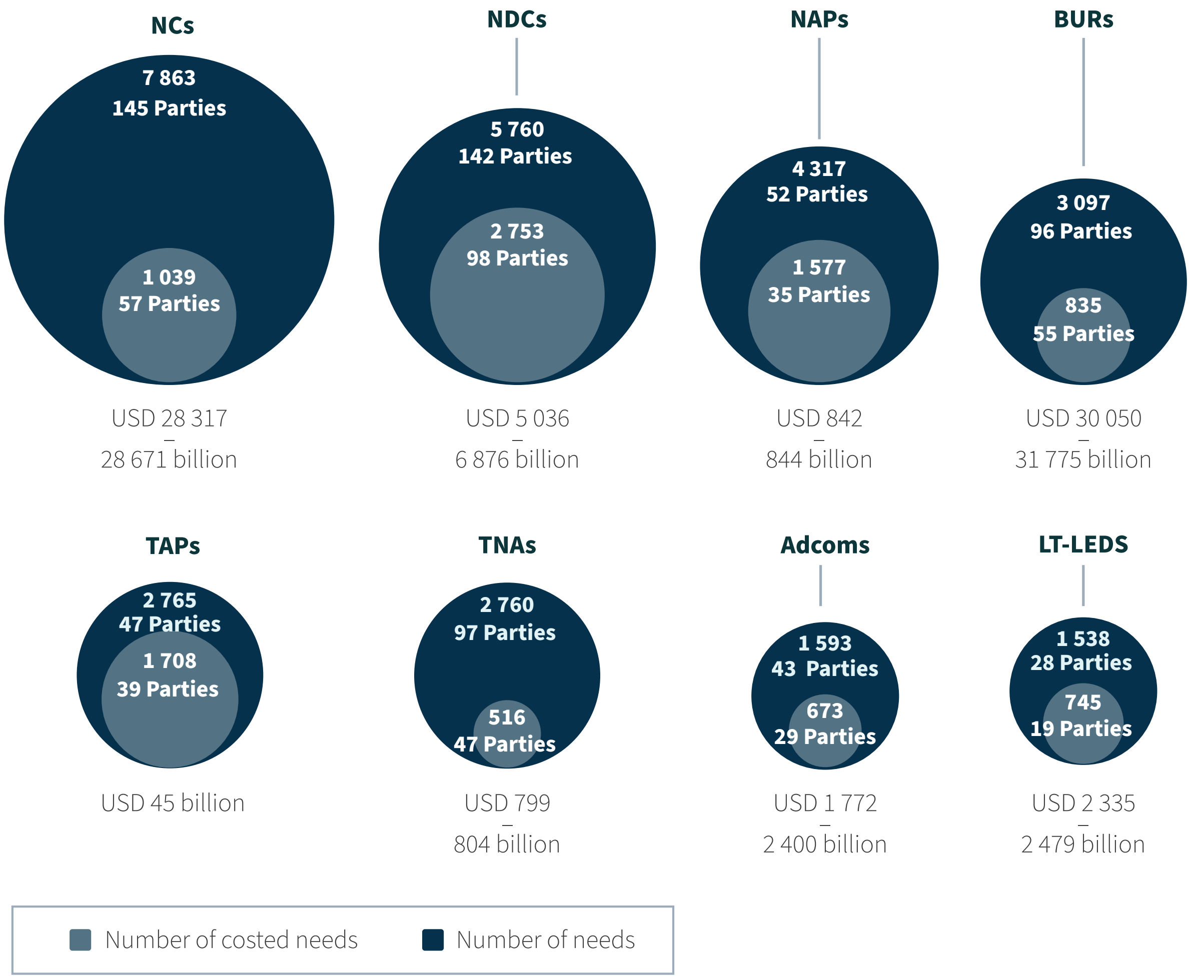

Figure 1: Overview of Needs[6]

5 https://unfccc.int/sites/default/files/resource/UNFCCC_NDR2_Report_Apr2025_Web.pdf

6 https://unfccc.int/sites/default/files/resource/UNFCCC_NDR2_ES_Web_Final.pdf

There are varying estimates of Africa's total adaptation finance needs from a range of institutions, including multilateral organisations, public development institutions, and independent research bodies. While methodologies differ, many estimates are grounded in African countries' Nationally Determined Contributions (NDCs), which serve as the primary bottom-up instrument for setting adaptation targets under the UNFCCC.

According to the NDR, "the largest number of needs and costed needs was reported by African countries, with 53 reporting a total of 2,981 needs, of which nearly 47 per cent focused on adaptation, 46 per cent on mitigation and around 7 per cent on crosscutting sectors. Of these, 1,692 needs reported by 51 countries have been costed, amounting to USD 1.6–1.9 trillion"[7]. The NDR indicates that adaptation finance needs in Africa amount to USD 430-693 billion up to 2030.

In the 2024 Adaptation Gap Report published by UNEP, the estimated adaptation finance needs, extrapolated from NDCs and NAPs, are estimated at USD 61 billion/year for Africa (in 2022 prices). If computed over a six-year time frame, 2025 to 2030, the total estimated finance needs are USD 366 billion.

According to a publication published jointly by the Climate Policy Initiative and the Global Center on Adaptation, Africa's NDCs calculate that the continent needs USD 53 billion per year for adaptation, or 2.5% of Africa's gross domestic product (GDP)[8]. However, the report indicates that this would actually be an underestimation of need due to missing data, in that (i) only half of African NDCs calculate adaptation costs; ii) the damages from climate change are occurring faster and stronger than estimated at the time of preparing the NDCs. Therefore, the total adaptation finance needs may amount to more than USD 100 billion per year.

The World Meteorological Organisation estimates that in sub-Saharan Africa, the cost of adaptation is estimated to be between US$ 30-50 billion annually over the next decade, or 2-3 % of the region's Gross Domestic Product[9].

2.1. Adaptation Finance Landscape in Africa

According to the UNFCCC Secretariat, climate finance refers to local, national or transnational financing, drawn from public, private and alternative sources, that seeks to support mitigation and adaptation actions to climate change[10]. Adaptation finance, as defined by both the OECD-DAC Rio Markers and the UNFCCC, refers to funding that aims to reduce the vulnerability of human or natural systems to the impacts of climate change[11]. CPI's Landscape of Climate Finance in Africa report, published in 2024, notes that "Africa saw a 48% increase in climate finance flows from USD 29.5 billion in 2019/20 to USD 43.7 billion in 2021/22." Adaptation solutions received 32% of Africa's total climate finance in 2021/22. However, this meets only a fraction of the continent's estimated needs, as demonstrated below.

According to the 2024 Adaptation Gap Report, the international public adaptation finance flows to Africa reached USD13 billion/year in 2022.[12]. This represents finance flows equivalent to between only 21% and 36% of the estimated finance needs and adaptation costs for Africa. In the State and Trends in Climate Adaptation Finance, published jointly by CPI and GCA in 2024, Africa is declared the most affected region by climate change, but only

7 https://unfccc.int/sites/default/files/resource/UNFCCC_NDR2_ES_Web_Final.pdf

8 https://www.climatepolicyinitiative.org/wp-content/uploads/2023/09/GCA-CPI-Accelerating-Adaptation-Finance.pdf

9 https://library.wmo.int/viewer/69000/download?file=1360_State-of-the-Climate-in-Africa-2023_en.pdf&type=pdf&navigator=1

10 https://unfccc.int/topics/introduction-to-climate-finance

11 https://unfccc.int/sites/default/files/resource/Common_Practices_Technical_Report.pdf

12 https://www.unep.org/resources/adaptation-gap-report-2024

received 20% of global adaptation finance flows, or USD 13 billion annually, in 2021–2022. For reference, about 45% of global adaptation finance flows went to the East Asia and Pacific region[13]."

2.2. The Doubling Adaptation Finance Goal

The IPCC's sixth assessment report affirms that adaptation financing needs to increase significantly, and that there is sufficient global capital to close the global adaptation investment gap. However, there are barriers to redirecting capital to climate action, and governments will be key in reducing them through the provision of public funding and clear signals to investors. Investors, central banks and financial regulators also have a role to play (IPCC 2023).

In 2021, the Glasgow Climate Pact[14] (decision 1/CMA.3) recognised the imperative for increased adaptation finance and noted with concern that the current provision of climate finance for adaptation remains insufficient to respond to worsening climate change impacts in developing countries. The Pact urged developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, widely known as the Doubling Adaptation Finance Goal. This is in the context of the need to achieve a balance between mitigation and adaptation in the provision of scaled-up financial resources, recalling Article 9, paragraph 4, of the Paris Agreement.

In responding to the Glasgow Climate Pact's call, the outcome of the first Global Stocktake (decision 1/CMA.5)[15] paragraph 86 recognised that adaptation finance will have to be significantly scaled up even beyond the Doubling Adaptation Finance Goal, to support the urgent and evolving need to accelerate adaptation and build resilience in developing countries as per paragraph 18 of decision 1/CMA.3[16]. This includes acknowledging the critical need for public and grant-based resources, exploring additional sources of finance, and reiterating the importance of supporting the implementation of developing countries' national adaptation plans by 2030.

Consequently, paragraph 100 of decision 1/CMA.5 urged developed country Parties to prepare a report on the doubling of the collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025.[17] This would be considered by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its sixth session. The report was published and is still under consideration by the Parties, but Parties are still unable to agree on its findings and conclude their consideration.

Since the implementation decisions taken under the UNFCCC and its Paris Agreement are subject to interpretation by the duty bearer, the report was prepared by the developed country Parties guided by their own interpretation of the Glasgow Climate Pact and the outcome of the first Global Stocktake. According to that interpretation, the Glasgow Climate Pact established 2019 as the baseline year for the doubling of adaptation finance. According to the OECD, developed countries provided USD 18.8 billion in adaptation finance in 2019 through bilateral and multilateral channels. Doubling adaptation finance implies an increase by contributors from the approximately USD 18.8 billion provided in 2019 to USD 40 billion by 2025.

13 https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf

14 https://unfccc.int/documents/460950

15 https://unfccc.int/documents/637073

16 https://unfccc.int/documents/460950

17 https://unfccc.int/sites/default/files/resource/Doubling%20Adaptation%20Finance_Efforts%20to%20Respond%20to%20the%20Call%20of%20the%20Glasgow%20Climate%20Pact.pdf

3.0. QUANTITATIVE ASSESSMENT OF PROGRESS ON THE DOUBLING GOAL

The mandated report on the doubling of the collective provision of climate finance for adaptation to developing country Parties noted that developed countries provided and mobilised a total of USD 32.4 billion in adaptation finance in 2022. This amount included a total of USD 28.9 billion in international public finance, a record high, and an increase of roughly 23% compared to 2021 levels and 54% compared to 2019 levels. The 2024 OECD report, *Climate Finance Provided and Mobilised by Developed Countries in 2013–2022*, the primary source for tracking progress toward the Doubling of Adaptation Finance Goal (DAFG), notes that, based on OECD public finance figures, developed countries were approximately halfway to meeting the goal by 2022, the midpoint between the 2019 baseline and the 2025 target year.

ADAPTATION FINANCE PROVIDED IN 2019–2022 (USD BILLION)

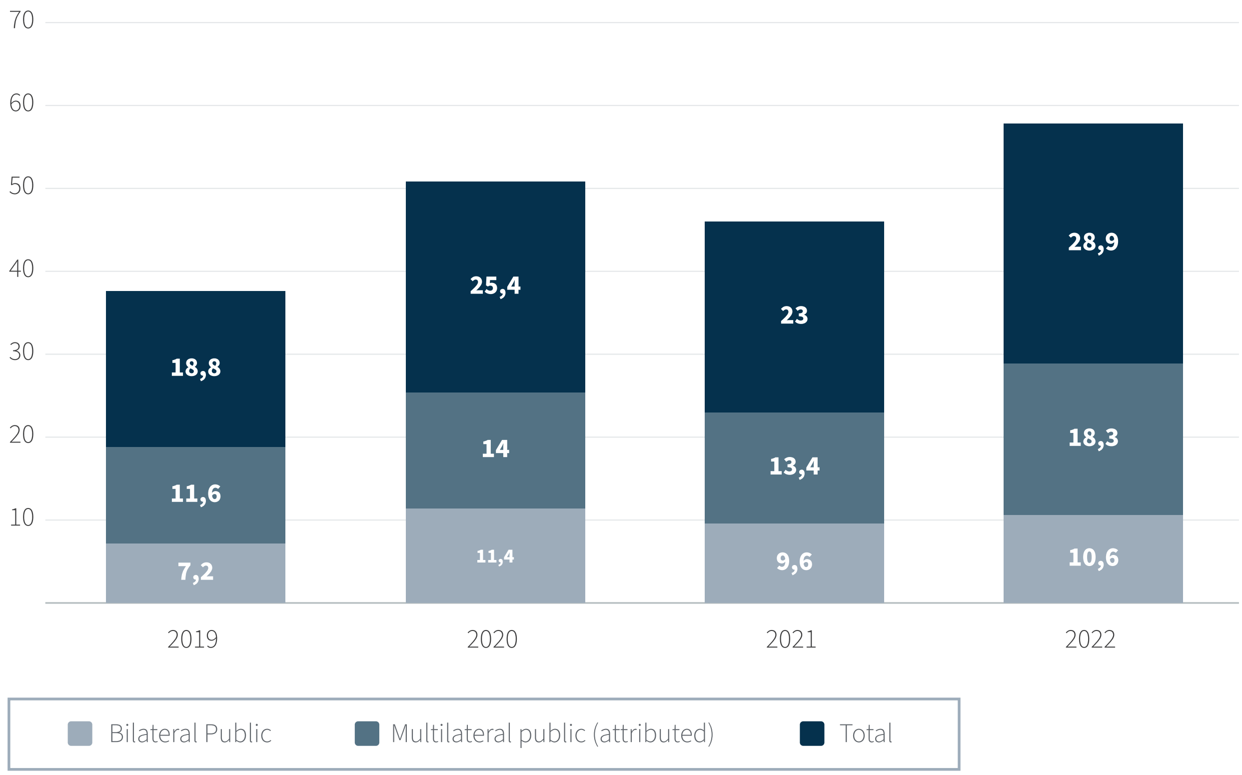

Figure 2: *Adaptation Finance in 2019- 2022*
Source: *Author's own tabulation.*

Figure 2 demonstrates that significant progress has already been made toward doubling adaptation finance from 2019 levels in the first three years of available data and that efforts are on-track to reach USD 40 billion by 2025.

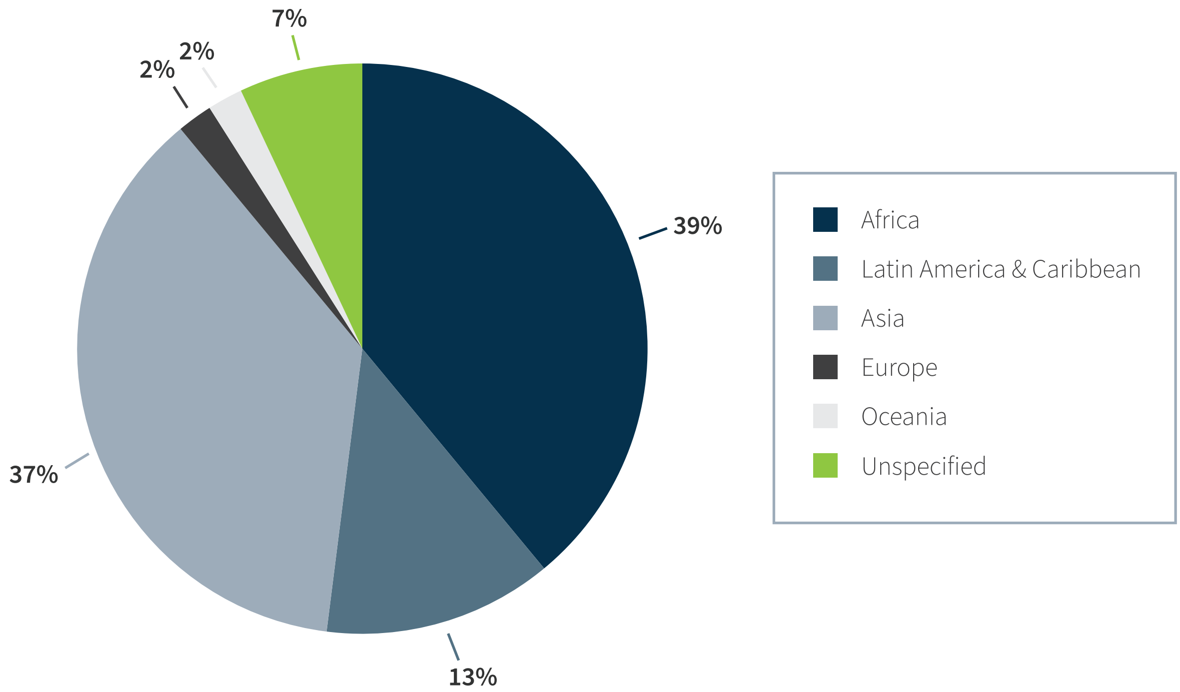

Figure 3: *Total Adaptation Finance by Region, 2019 - 2022*
Source: *OECD Analysis (OECD 2024)*

According to the OECD, Africa and Asia received the greatest share of adaptation finance from 2019 to 2022, with 39% and 37% of the total, respectively, as shown in Figure 3.

However, Oxfam's Climate Finance Shadow Report from 2023[18] uses a different accounting approach to what constitutes climate finance in the context of doubling adaptation finance. The report notes that while the figures in the OECD report appear substantial, they are a compilation of diverse accounting practices that developed countries, multilateral development banks (MDBs), multilateral climate funds and other climate finance contributors use when reporting climate finance. These inconsistent reporting practices may overstate the real value of support provided to developing countries specifically for climate action for two key reasons.

To address this, Oxfam applies a methodology called the climate-specific net assistance (CSNA) approach, where the difference between reported climate finance and its real support value to developing countries can be estimated, accounting for factors such as concessionality. Oxfam estimates that in 2019–20, climate-specific net assistance (CSNA) stood at between $20bn and USD 23.5bn per year (annual averages), of which between USD 9bn and USD 10.5bn per year was specifically dedicated to adaptation. In 2020, the year when the USD 100bn-a-year level in climate finance should have been met, CSNA amounted to just USD 21–24.5bn, with only USD 9.5–11.5bn specifically for adaptation. A noteworthy source for the sizeable difference between reported gross amounts and what Oxfam considers the net value of support is the widespread use of non-concessional finance, particularly by MDBS, which is generally reported at full value and not adjusted to show the real support value.

18 https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621500/bp-climate-finance-shadow-report-050623-en.pdf;jsessionid=ED5B5F9753E2545AB84FEB176859B396?sequence=19

Figure 4 shows reported adaptation finance in the OECD report compared with Oxfam's estimates of adaptation finance using the CSNA approach for 2019 and 2020, illustrating the large gap between gross reported figures and the actual value of support, and the danger of using a non-CSNA approach to evaluate finance provision. These adjusted figures also show the relatively limited progress towards reaching the doubling goal.

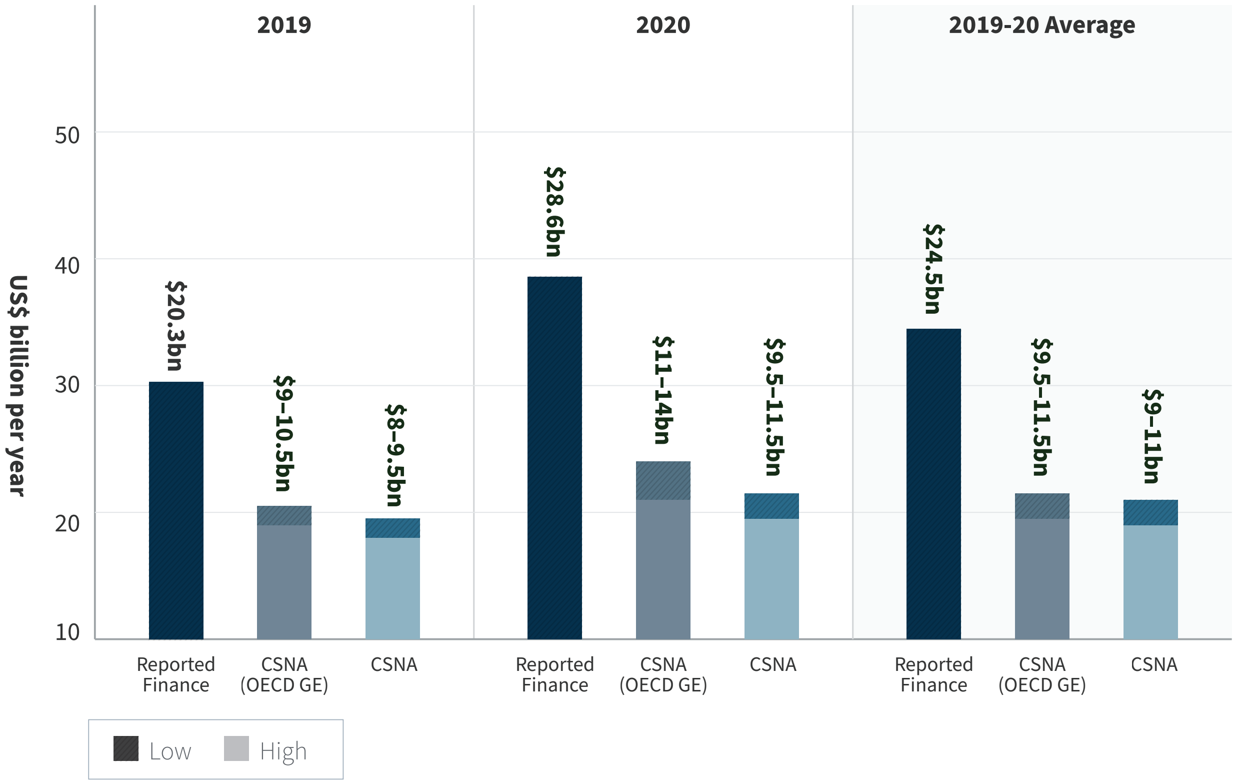

Figure 4: Reported adaptation finance vs Oxfam estimates of adaptation-only CSNA (2019, 2020 and 2019–20 average)

Source: Oxfam Shadow Report

Notes: Amounts given in US$. The dark green bars show adaptation finance as compiled by OECD (2022a). The green and blue bars show estimates of CSNA for adaptation-specific finance rounded to the nearest $0.5bn and based on the dataset on climate-related development finance as compiled in OECD (2022b). The blue bars use a more robust methodology.

4.0. ADAPTATION FINANCE AND THE DOUBLING GOAL: IMPLEMENTATION CHALLENGES AND OPPORTUNITIES

The adaptation finance gap analysis and the doubling goal analysis bring to light several challenges and opportunities for addressing adaptation financing needs.

4.1. Challenges for Addressing Adaptation Financing Needs

1. Lack of a common accounting approach

One of the main challenges frustrating the appraisal of the report on doubling adaptation finance by developed countries is the different interpretations of the Glasgow mandate, read together with the GST outcome decision. In the report, developed countries use the 2019 support provided (as per the OECD report) as the baseline for the doubling goal, while aligning with the OECD accounting approach on the definition of adaptation finance and the relevant instruments. According to the report, significant progress towards achieving the goal has been made and positive trends from 2019-2022 noted, demonstrating that efforts are on track to reach USD 40 billion by 2025.

However, the Oxfam Shadow Report reveals a different picture. According to developing countries and regions, in particular Africa, the accounting and reporting practices applied by climate finance contributors do not reflect the actual level of adaptation finance support provided. For example, in the 2019 baseline climate finance report, developed countries reported an estimate of USD 18.8 billion provided in adaptation finance through bilateral and multilateral channels for 2019[19]. The OECD gives a slightly differing figure of USD 20.3bn[20] . However, using the climate-specific net assistance approach for the OECD figures, which is more indicative of the actual value of support, and where the climate specificity is defined in the objective of the project, the estimated climate-specific net assistance of adaptation finance provided was only USD 8 - 9.5 billion in 2019. Only approximately 48% of the OECD-reported adaptation finance is climate-specific. Applying this to the developed countries' USD 18.8 billion baseline quantum suggests that climate-specific adaptation finance provided in 2019 was only USD 9 billion that year. This shows that current figures of adaptation are grossly overestimated as they do not account for factors such as climate-specificity.

OECD, a trusted institution on data, analysis and best practices in public policy, acknowledges the lack harmonised methodologies as a major challenge to the accurate quantification of adaptation finance provision for developing countries. They identify how current methods pose two key challenges with current methodologies. First, because adaptation is highly context-specific, the nature of an activity alone does not determine whether it qualifies as adaptation finance. An action that is apt for adaptation in one setting, such as enhancing crop irrigation, might be unsuitable in another. This variability makes it difficult to categorise expenditures as adaptation finance, since the same action can either contribute to or undermine adaptation depending on the local context. A second key challenge is that adaptation measures often seamlessly blend into activities designed for other purposes.

19 https://unfccc.int/sites/default/files/resource/Doubling%20Adaptation%20Finance_Efforts%20to%20Respond%20to%20the%20Call%20of%20the%20Glasgow%20Climate%20Pact.pdf

20 OECD, 2022a

For example, improving access to education can also yield adaptation benefits. As such, it is not always possible to readily separate out the elements, or share, of an activity contributing to adaptation[21]. These inconsistencies in accounting methodologies, definitions, and interpretations of what qualifies as adaptation finance undermine transparency, comparability, and trust, making it difficult to accurately assess progress toward the Doubling Adaptation Finance Goal and to ensure that finance is genuinely reaching those most in need.

2. Lack of a common understanding of the adaptation finance baseline and goal

The developed countries' report on doubling adaptation finance interprets the Glasgow mandate to double adaptation finance, without considering the actual adaptation finance needs. However, the Glasgow mandate does intentionally highlight that 'at least' double the current adaptation finance must be mobilised, and as such recognises the inadequacy of the doubling using the 2019 quantum as the baseline. On the other hand, the report published by developed countries treats the doubling of their collective provision of climate finance for adaptation to developing countries as the ultimate objective, and as such is not responsive to actual adaptation finance needs.

The provision of adaptation finance should be based on the urgent and evolving need to accelerate adaptation and build resilience in developing countries. Africa alone needs about USD 50 billion annually of adaptation finance to respond to the worsening climate change impacts[22]. African countries have communicated ambitious NDCs and other policy documents like NAPs, articulating their support needs, and as such the focus should therefore shift from achieving the bare minimum to addressing the adaptation finance gap, based on the real, communicated needs. This focus is reiterated in the GST decision.

3. Lack of clear outcomes expected from the doubling of adaptation finance

It is a long-held view of the Africa Group that the required financing outcomes should inform the financial support needed. However, parties did not define the expected outcomes when giving the mandate on doubling adaptation finance, and the five action areas highlighted in the doubling adaptation finance report are generalised, without clear quantitative and qualitative milestones. The absence of clearly defined outcomes for the Doubling Goal continues to hinder effective tracking of adaptation finance impact. In this context, Decision 2/CMA.5 on the Global Goal on Adaptation represents a significant breakthrough, as the first decision to establish concrete, outcome-based targets for adaptation, both dimensional and thematic. It provides a much-needed foundation for aligning finance with measurable adaptation results.

4. Clear differentiation between adaptation and development

While there is a direct link between adaptation, resilience and development, informed by Article 2 paragraph 1 (b) of the Paris Agreement, financing for development should not be counted as adaptation finance. The OECD, in its analysis of support provided by developed countries, use accounting approaches that often accounts development finance as climate finance. Due to this challenge, even development loans have been accounted as adaptation finance on the basis that the objective is climate-specific/related. This leads to overestimation of adaptation finance provided to developing countries

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21 https://www.oecd.org/en/publications/scaling-up-adaptation-finance-in-developing-countries_b0878862-en/full-report.html

22 https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf

4.2. Opportunities for addressing Adaptation Financing Needs

1. Clear articulation of Africa's priorities for the doubling of adaptation finance

Decision 1/CMA.6 on the New Collective Quantified Goal (NCQG) on climate finance provides a strong basis to clearly articulate Africa's priorities for adaptation finance. The decision estimates that adaptation finance needs range from at least USD 215 – 387 billion annually up to 2030, and notes with concern the gap between climate finance flows and needs, particularly for adaptation in developing countries. These gaps in defining and tracking outcomes highlight the need for greater clarity and alignment in future finance goals, particularly as discussions advance on the new collective quantified goal of USD 300 billion per year by 2035. This proposed climate finance provision goal, under Article 9 of the Paris Agreement, could be targeted for adaptation financing in the form of grants. With clear prioritisation and a pragmatic resource mobilisation strategy, Africa could attract a significant portion of these resources.

2. Africa adaptation outcomes

From an African perspective, there is clarity on the three components of adaptation that define what adaptation is, and what should be accounted as adaptation finance. Article 7 of the Paris Agreement establishes a global goal on adaptation with three main components, that is, enhancing adaptive capacity, strengthening resilience and reducing vulnerability. The ongoing work on United Arab Emirates–Belém work programme on indicators - expected to conclude at COP30 – will be critical in forming a basis for establishing clean, measurable goals for Africa. These indicators will help define progress towards measuring the Global Goal on Adaptation's dimensional and thematic targets, particularly in addressing the negative effects in the context of sustainable development and poverty eradication.

3. Africa's priorities for adaptation financing in COP 30

As we approach COP30, it is important to note that the twin objectives of achieving a balance between adaptation and mitigation in financing, and addressing the adaptation financing gap, cannot be achieved through doubling adaptation finance. Efforts towards fulfilling the Glasgow mandate as reiterated under the GST should be informed by the actual support needed by developing countries, and the identified dis-enablers of access. Ultimately, Africa must be supported to leapfrog a carbon-intensive development pathway, an opportunity that exists within the continent with many countries discovering fossil fuel resources.

5.0. TOWARDS COP30: AFRICA'S ADAPTATION FINANCE PRIORITIES

Africa should prioritise the following issues in its efforts to take the lead and set the scene on how adaptation finance negotiation:

- **Baku to Belém Roadmap to 1.3T**. The current focus on the roadmap presents an opportunity to push for the USD 300 billion goal under the NCQG, to apply solely for adaptation finance, through public sources in the form of grants. This would leave the USD 1.3 trillion per year goal to focus on financing mitigation investments.
- **Climate change funds**. The finance mechanisms under the UNFCCC and its Paris Agreement are designed to directly facilitate response to climate change in developing countries. Though not properly resourced, these funds have yielded significant impacts in Africa. The negotiations on the guidance to these funds and the consideration of their reports by the Conference of the Parties and CMA should focus on improving access modalities and achieving a balance between adaptation and mitigation financing. For the Adaptation fund, which is a grant-based fund for adaptation, Parties should encourage share of proceeds under Article 6.2 of the Paris Agreement. More resources are also required for the adaptation funds, especially for Africa, as more resources are required to address the continent's urgent and evolving adaptation needs.
- **United Arab Emirates–Belém work programme**. Work under the United Arab Emirates–Belém work programme is ongoing, with outputs expected at COP30. One of the most contentious areas in the negotiations is the development of indicators for means of implementation, particularly finance - where developing countries are calling for explicit, robust indicators. For Africa, finance-related indicators are especially important as they will provide a clear basis to assess progress in implementating the GGA targets within the context of the GST.

If explored aggressively, the opportunities above would tactically position the negotiations of adaptation financing to benefit Africa's position. With the platform provided under the doubling adaptation finance agenda item, Africa must be strategic in its positioning to secure a favourable outcome at COP30.