

The Harsh Realities and Imperatives of Adaptation Financing

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2010 Climate Financing Estimates (CPI, in \$s billions)

Legend

Public money

Offset money

Private money

NE: Not Estimated

Sources (US\$ billion)

Offset markets and voluntary
3

Carbon markets
2

Carbon taxes
7

General tax revenues
NE

Global capital markets
55+

Domestic public budgets
21

Private sector finance
55

Bilateral agencies/
banks
24

Multilateral agencies/
MDBs
15

Instruments

Carbon Offset flows
3

Policy incentives
NE

Grants
4

Concession loans
13

Market rate loans
56

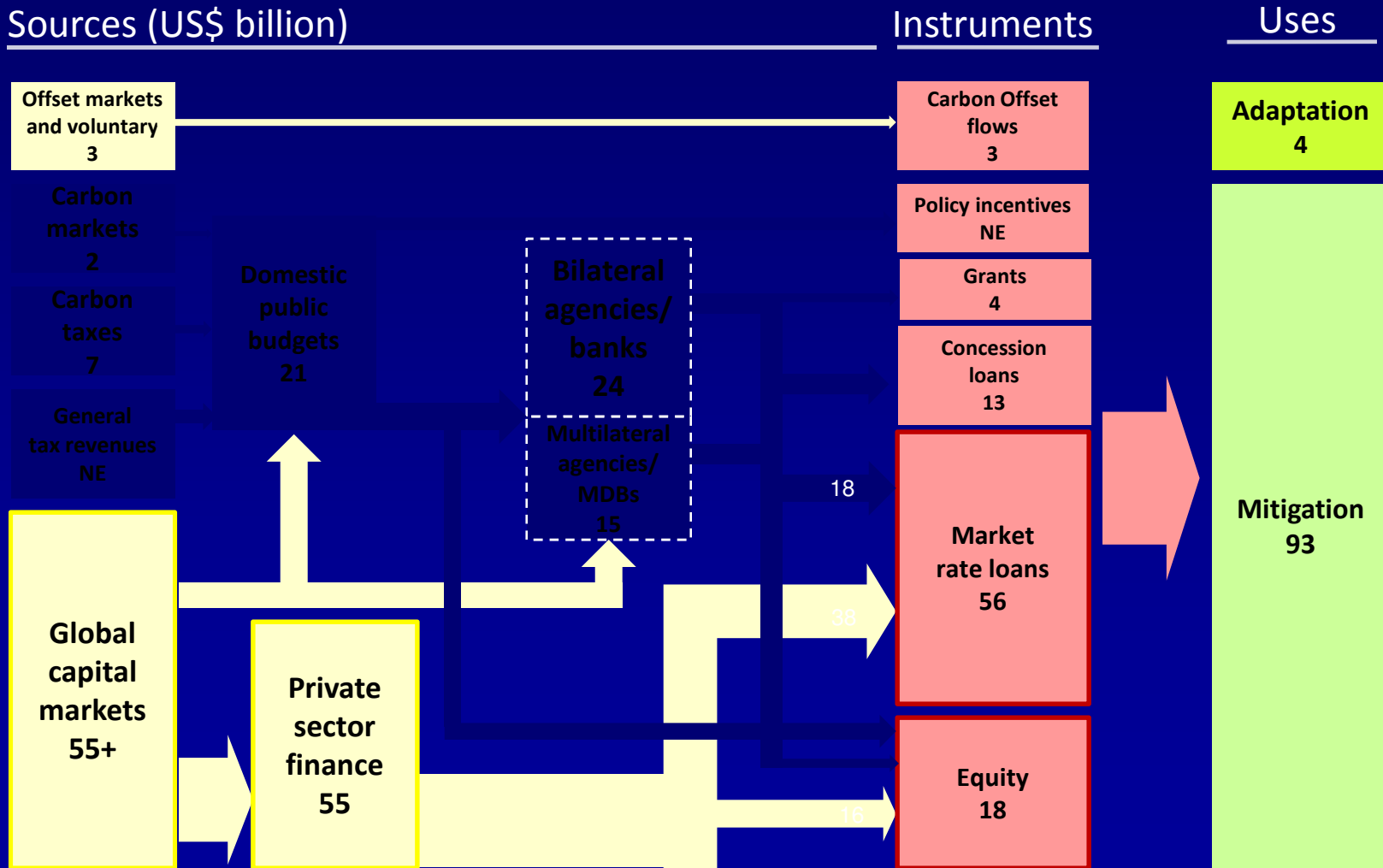
Equity
18

Uses

Adaptation
4

Mitigation
93

Note: Boxes and flows **not** drawn to scale



Financing Climate Adaptation and Resiliency

- **Adaptation and Resilience Building Expensive:** \$40b per year for Asia-Pacific, and science grows every more worrisome
- **Invest Now, Save Later:** Analysis shows delayed action increases economic and social costs.
- **Mitigation Gets Most International Support:** Good to see growing climate finance, but adaptation very low
- **Limited Multilateral and Bilateral Sources:** LDCF, SCCF, KPAF, PPCR, plus bilateral (eg, USAID ADAPT-Asia).
- **Green Climate Fund:** Meant to provide balance, but uncertain funding and business model, including allocation approach.
- **Private Sector Limits:** Insurance spontaneous; will increase efficiency, but CUT into development
- **International Financing Push Continues:** ADB and others seek most adaptation financing feasible on best possible terms.
- **Conclusion:** Developing countries must finance most adaptation actions on their own, and they already are!!