

Dear Representatives of the Champions Group of Climate Adaptation Finance,

As we approach COP27, the world is alarmed by the increased acceleration of disastrous climate impacts – such as the recent devastating floods in Pakistan – and the shortage of means to respond. As shown by the IPCC Sixth Assessment Report, confirming the 2021 UN Adaptation Gap Report, the costs of adaptation are rapidly accelerating, hindering economic and human development, and putting an increasing burden on the world's poorest. Limits to adaptation are already being breached, resulting in loss and damage.

Last year the Champions Group on Climate Adaptation Finance demonstrated the strength of this alliance by playing a key role in the achievement of the Glasgow Climate Pact decision to at least double the collective provision of climate finance for adaptation from 2019 levels by 2025. With the recommendations below, we urge you to make adaptation finance a top priority at COP27 in Egypt.

Our recommendations build on experiences of climate vulnerable communities standing in the front line of unfolding climate crises, and the most recent scientific evidence. Our approach is guided by the principles of climate justice, the aim to reduce inequalities, including those related to gender, and to enhance realisation of human rights – we strongly encourage you to base your joint efforts on the same. And while this letter focuses on quantitative aspects, we would like to highlight the importance of advancing the quality of adaptation finance and actions, with the Locally-led Adaptation principles as a key reference endorsed by many organisations.

In summary, we urge you to

- **ensure delivery of at least 50% adaptation finance annually towards the collective \$100 billion climate finance goal up until 2025.** The \$100 billion Climate Finance Delivery Plan update, being led by Canada and Germany, needs to lay out how adaptation finance is to be delivered up until 2025. The plan should include quantitative elements, concrete numbers, allocated responsibilities, and clear contributor country specific plans on how adaptation finance goals will be realised. The plan should be guided by recipient country needs and ensure adaptation action is locally led, supporting realisation of National Adaptation Plans.
- **establish robust adaptation elements in the post-2025 climate finance regime.** The New, Collective and Quantified Goal should include clear, science- and needs-based sub-goals on climate adaptation, loss and damage, and mitigation finance. Parties should make use of reporting obligations (e.g. Article 9.5 projected finance reports) to supply detailed information on delivery of the sub-goals, providing:
  - time-bound quantified targets and responsibilities for contributor countries
  - projected shares for climate vulnerable countries, including SIDS, LDCs
  - a commitment to cover a considerable share adaptation finance by public and grant-based funds, that are new and additional to ODA
  - measures to ensure adaptation finance reaches local levels and marginalised people
  - improvements to transparency and reporting of climate adaptation finance
- **use the 'African' COP27 as momentum to catalyse adaptation action in Africa.** Collaborate closely with African stakeholders, including civil society, to put African climate action on top of the COP agenda, and to showcase African adaptation solutions. Work with the COP Presidency and partners to strengthen civic space in international and African climate policy, including ensuring the free participation of observers at the COP.

More detailed recommendations are provided in the Annex below.

We expect to see the strong leadership of the Champions Group of Climate Adaptation Finance, demonstrated at COP26, and encourage you to continue promoting a just, transparent, and rule-based adaptation finance regime before, during and after COP27.

Yours sincerely,

350.org

*AbibiNsroma Foundation*

*ACT Alliance EU*

*Africa Climate and Health Alliance*

*African Coalition on Green Growth*

*APEDDUB*

*CAN Tanzania*

*CARE International*

*Christian Aid*

*Climate Action Network Africa*

*Climate Action Network Europe*

*Climate Action Network UK (CAN-UK)*

*CNCD-11.11.11*

*CRASH - Coalition for Research and Action for Social Justice and Human Dignity ry*

*EARTHDAY.ORG AFRICA*

*Emmaus International*

*Environmental Defence Canada*

*Fida International*

*Finnish Development NGOs Fingo*

*Friends of the Earth Ireland*

*Klimadelegation e.V.*

*Lightup Impact*

*Mercy Corps*

*New Mexico Interfaith Power and Light*

*Norwegian Church Aid*

*PACJA South Africa*

*Save the Children Finland*

*South African Youth Climate Change Coalition*

*Southern Africa Climate Change Coalition*

*Southern Africa Climate Smart Agriculture(SACSAA)*

*Southern Africa Region Climate Action Network(SARCAN)*

*Suomen Ammattiliittojen Solidaarisuuskeskus SASK ry*

*Suomen Kveekkarit*

*Tree Aid*

*Uganda Coalition for Sustainable Development*

*VIVAT International*

*Women in Communities Zimbabwe*

*Zimbabwe Climate Change Coalition*

Annex. Detailed recommendations

### **Recommendation 1: Enhance Climate Adaptation Finance targets to meet needs, strengthen transparency and Delivery Plan**

**Deliver at least 50% adaptation finance annually towards the collective \$100 billion climate finance goal up until 2025.** The 2009 Copenhagen commitment to scale up climate finance provision to developing countries to USD 100 billion per year has so far not been achieved. According to latest OECD data, total climate finance in 2020 was 83.2 billion, of which 28.6, or less than 35%, went towards climate adaptation[1]

A doubling of these efforts by 2025 would then bring adaptation finance to USD 57.2 billion. While a welcome development, this would still fall short of what is needed. The latest UN adaptation gap report estimates annual adaptation costs to be in the upper range of US\$ 140–300 billion by 2030, and US\$ 280–500 billion by 2050 in developing countries alone[2].

Adaptation costs in developing countries are thus five to ten times greater than current public adaptation finance flows[3], and the adaptation finance gap is rapidly widening[4]. Further to letting the citizens of the poorest countries bear the brunt of the devastating climate impacts, this situation is eroding the entire UN climate regime.

The IPCC Working Group II report reiterates that enhanced mobilisation of and access to financial resources are essential for implementation of adaptation action. Building capacity and removing barriers to accessing finance is fundamental to accelerate adaptation, especially for vulnerable groups, regions and sectors.[5] The 2021 “100 billion delivery plan” failed to provide answers to how adaptation finance was to be mobilised.

**It is therefore essential that the \$100 billion Climate Finance Delivery Plan update**, being led by Canada and Germany, **clearly lays out how adaptation finance is to be delivered** up until 2025. This plan should include **quantitative elements, concrete numbers, and allocated responsibilities**: clear contributor country specific plans on how to increase adaptation finance to at least 50% of the collective 100 billion target, and how to meet the commitment of at least doubling adaptation finance by 2025.

The updated Delivery Plan could provide a framework supporting parties to report more granularly on how they will scale up and improve projected adaptation finance in their climate finance projection submissions under Art. 9.5 of the Paris Agreement.

### **Recommendation 2: Establish specific adaptation elements in the post-2025 climate finance regime**

We expect the Champions Group on Climate Adaptation Finance to play a critical role in the political negotiations and technical deliberations to establish a New, Collective and Quantified Goal (NCQG) by 2024 for the post-2025 period, and the global goal on adaptation. **COP27 must deliver on establishing elements on adaptation finance as part of the post-2025 climate finance regime**, ensuring the new goal includes:

- **a dedicated sub-goal on climate adaptation finance** that is **quantified and science-based, informed by the real needs of developing countries** and climate vulnerable communities, alongside sub-goals for loss and damage, and mitigation. The adaptation sub-goal should be regularly updated, entail a clear public finance element, and build on lessons learnt from the previous (2020-2025) target period.
- **projected shares of adaptation finance for LDCs, SIDSs and African climate vulnerable countries**, considering their vulnerability and low shares of finance received to date. Overall, adaptation finance post-2025 should make up **at least 50%** of all climate finance streams to developing countries.
- a commitment to cover a considerable share of future adaptation finance by **public and grant-based funds**, aiming towards net provision that is **new and additional to countries' commitments to achieve 0.7% GNI as Official Development Aid (ODA)**, or increasing on a trajectory which does not subtract from ODA provision. If private finance were to be included in the goal for adaptation action, measures should be put in place to **ensure developing country debt sustainability and avoidance of increased privatisation or commercialisation of social sectors** (like health, education, and water), which risks undermining access to universal high quality public services. The Champions Group on

Climate Adaptation Finance could provide a forum for exploration of innovative solutions for sustainable adaptation financing beyond grants.

- **targets for adaptation finance reaching local levels**, and distinct resources to secure removal of barriers for accessing climate finance. Principles for locally led adaptation and promotion of gender equality should be formally endorsed and additional modalities that support the most at risk and climate vulnerable people should be established.
- a **clear and detailed (five-year) delivery plan** laying out *how* adaptation finance is to be mobilised, *when* and *where* (fair shares)[6]. This plan should be monitored, regularly updated, and provide predictability and coordination of adaptation finance. The adaptation finance delivery plan should be elaborated in tandem with the global goal on adaptation and build on accumulated knowledge of effective adaptation action.
- **rules for transparency and reporting of climate adaptation finance**. These rules should be streamlined with the global goal on adaptation as well as the global stocktake, allowing comparability of different efforts. Impact reporting should be made part of it. Rules must ensure full transparency and accountability of implementing agencies towards their portfolios, the impacts of which should be independently assessed and demonstrable.

### **Recommendation 3: Use COP27 to boost adaptation action in Africa**

**The upcoming COP27 meeting in Egypt should mark an “African COP”**: the ‘adaptation gap’ is growing fastest in Africa. The IPCC’s Sixth Assessment Report warned of the African continent’s high climate vulnerability – temperatures in many African countries are increasing faster than the average rate of global warming. The continent loses between 5% and 15% of gross domestic product to climate change every year[7] which translates to less local investment in climate resilience[8].

We expect the Champions Group on Climate Adaptation Finance to engage in close collaboration with African stakeholders and civil society, and the Egyptian Presidency, to put **African climate action on top of the COP27 agenda: addressing loss and damage, building resilience and disaster risk prevention**. COP27 should highlight especially **African food security and food systems resilience as a key target for climate adaptation finance**. While the war in Ukraine and the worst drought in the Horn of Africa in four decades has exposed the vulnerabilities of food systems, the underlying reasons for fragile food systems – climate change, dependence on fossil-fuel-based inputs and soil-eroding farming techniques – can be addressed by **directing climate adaptation finance towards locally-led, climate-resilient, and sustainable agriculture and agroecology**.

We also want to draw your attention to the **importance of civic space in international and African climate policy**: we call on you to collaborate with the UNFCCC Secretariat, the COP27 Presidency, and Parties to ensure the free participation of observers, including Indigenous Peoples, women, youth, persons with disabilities, people of diverse gender identities and sexual orientations. **The conference should be accessible, actively decrease barriers to participation, including those associated with travel (visas, accommodation costs), access (language, building design), and safety (speech, assembly)**.

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[1] [Aggregate Trends of Climate Finance Provided and Mobilised by Developed Countries in 2013-2020](https://www.oecd.org/en/data/oecd/data-2021/12/aggregate-trends-of-climate-finance-provided-and-mobilised-by-developed-countries-in-2013-2020) ([oecd.org](https://www.oecd.org))

[2] <https://www.unep.org/resources/adaptation-gap-report-2021>

[3] <https://www.unep.org/resources/adaptation-gap-report-2021>

[4] [https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC\\_AR6\\_WGII\\_SummaryForPolicymakers.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf)

[5] [https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC\\_AR6\\_WGII\\_SummaryForPolicymakers.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf)

[6] According to the latest IPCC WGII report (C1.2), most observed adaptation is fragmented, small in scale, incremental, sector-specific, designed to respond to current impacts or near-term risks, and focused more on planning rather than implementation.

[https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC\\_AR6\\_WGII\\_SummaryForPolicymakers.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf)

[7] [African Economic Outlook 2022 | African Development Bank - Building today, a better Africa tomorrow](https://www.afdb.org/en/publications/african-economic-outlook-2022) ([afdb.org](https://www.afdb.org))

[8]

<https://www.uneca.org/stories/experts-call-for-more-support-as-africa-loses-significant-gdp-to-climate-change>