



Adaptation to climate change

Successful management of the risks and impacts of climate change

BACKGROUND

Climate change is threatening livelihoods and development opportunities worldwide. The poorest and most vulnerable people and countries suffer particularly under its consequences. Due to limited resources and capacity, they are unable to adequately adapt or protect themselves.

The World Bank estimates that, in the absence of quick, comprehensive investments in mitigation, adaptation and sustainable development, an additional 100 million people or more could slide into poverty by 2030 as a result of climate change. Slow-onset climatic changes could internally displace up to 143 million people in South Asia, sub-Saharan Africa and Latin America by 2050.

Adaptation to climate change is thus indispensable with a view to achieving the Sustainable Development Goals and the goals of other international agreements. And sustainable development, in its turn, helps to enhance people's resilience to the impacts of climate change.

GERMAN ADAPTATION FINANCE

The industrialized countries made a pledge to provide, by 2020, an annual 100 billion US dollars for the developing countries for climate change mitigation and adaptation, and to increase the share of adaptation. As part of this international commitment, Germany pledged in 2015 to double its climate finance from budget funds by 2020 (compared to 2014 levels), bringing it to an annual 4 billion euros. It reached its target early, providing 4.34 billion euros from budget funds in 2019.

41 per cent of this went toward adaptation. More than 80 per cent of these resources came from the budget of the Federal Ministry for Economic Cooperation and Development (BMZ).

At the Climate Adaptation Summit 2021, Germany made a pledge to support the Least Developed Countries Fund with an additional 100 million euros. It assists the least developed and most vulnerable countries, for example with regard to their efforts to plan and implement National Adaptation Plans (NAPs). In addition, the BMZ is increasing its bilateral support for climate risk financing and insurance in its partner countries by another 120 million euros.

SUPPORT FOR OUR PARTNER COUNTRIES

The bulk of German climate finance from budget funds goes toward direct cooperation with our partner countries. That portfolio includes a broad range of adaptation activities, such as support for smallholders as they adapt their livelihoods to climate impacts, assistance with regard to the adaptation of infrastructure, and the protection of water resources and coastal areas against rising sea levels. Support is provided to cities in terms of building administrative capacity and giving them better access to climate finance so as to enable them to better adapt to climate change. Between 2015 and 2018, nearly half of all bilateral adaptation finance went to the water and agriculture sectors. However, there are also adaptation efforts throughout all other sectors and areas that are affected by climate change.

The BMZ pursues an approach of comprehensive risk management in order to avert or reduce risks early on. It addresses the entire range of consequences caused by slow-onset climate change and extreme weather events. This facilitates the systematic management of risks for humans, infrastructure and ecosystems. A smart mix of successful instruments from the areas of mitigation, transitional development assistance and recovery, disaster risk management and adaptation, together with the development of innovative approaches such as climate insurance, are key elements of these efforts.

Information on projected extreme weather events and climatic changes is vital to successful risk management. That is why the BMZ has been working with the Potsdam Institute for Climate Impact Research since 2018 to draw up climate risk analyses and climate risk profiles for selected countries in sub-Saharan Africa to provide a better basis for decision-making. Through the Climate Risk & Early Warning Systems (CREWS) initiative, the BMZ helps the least developed countries and island states to improve their early warning systems.

INTERNATIONAL ADAPTATION INITIATIVES

Successful adaptation depends on access to knowledge and constant learning. Together with international partners, the BMZ has made substantial contributions to important global initiatives and partnerships and helped to advance them:

The **NAP Global Network** assists more than 40 countries in their adaptation planning and implementation efforts and fosters the exchange of knowledge among developing countries. Germany has already provided more than 2 million euros in support of these efforts.

The **NDC Partnership** assists developing countries and emerging economies in implementing their Nationally Determined Contributions (NDCs) in combination with the Sustainable Development Goals swiftly and effectively. The Partnership has 186 members. Since its founding, Germany has provided 500 million euros in support of the Partnership.

In order to provide coverage against remaining risks and establish or strengthen climate risk financing and insurance in developing countries, the BMZ has provided some 670 million euros for the **InsuResilience Global Partnership**. It was launched mainly at the initiative of the BMZ. It now has more than 90 members and provides support, in particular, to the development of direct and indirect insurance schemes. For example, it is supporting the development of multilateral and regional insurance facilities for extreme weather events in Africa, the Caribbean and the Pacific. The Partnership's Vision 2025 provides for giving protection against climate and disaster risks to half a billion poor and vulnerable people by 2025.

The BMZ has also been active in the **Global Commission on Adaptation** (GCA) in order to raise attention for the urgent need for implementation efforts and funding for adaptation activities in strategic areas. **At the GCA, the BMZ announced that it would help a total of 60 million people in rural areas to become more climate resilient by 2030.** Following the Climate Adaptation Summit 2021, the work of the Commission will be continued by a broad alliance of stakeholders. For example, the BMZ will provide, through a new Africa office of the Global Center on Adaptation, an initial 2.5 million euros in support of the **Africa Adaptation Initiative** (AAI). The AAI is the key African political initiative for adaptation to climate change.