



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 are particularly suffering from the far-reaching impacts of **slow-onset climate change and the increasing frequency of extreme weather events.** Between 1970 and 2019, more than 2 million people died from weather- and climate-related disasters, over 80 per cent of them in developing countries.

Without quick and comprehensive investments in mitigation and adaptation, the World Bank estimates that climate change could push **an additional 132 million people into poverty** by 2030, and by 2050, between 44 and 216 million people could be forced from their homes.

LOWERING RISKS AND STRENGTHENING RESILIENCE

Adaptation to climate change is an important component of sustainable development. And sustainable development, conversely, promotes resilience to the impacts of climate change. The **implementation of the Paris Agreement is central** to this. But other international agreements on disaster risk reduction, biodiversity conservation and combating desertification also contribute to **strengthening the resilience of local populations.** The Federal Ministry for Economic Cooperation and Development (BMZ) is, therefore, pursuing a **Comprehensive Risk Management approach** to better protect the poorest and most vulnerable population groups from climate and disaster risks.

GERMAN ADAPTATION FINANCE

Germany is one of the largest donors to the international climate funds:

In 2020, Germany provided around 5.1 billion euros from budgetary funds (including grant equivalents from KfW development loans) **for international climate financing, thereby significantly exceeding the German government's commitment** to increase climate financing to 4 billion euros by 2020. Most of the money (86 %) was provided by the BMZ.

By 2025, the German government intends to increase its international climate finance contribution to 6 billion euros annually.

An important goal is to **balance financial support for mitigation and adaptation.** Adaptation funding in 2020 was 40 percent of the total (ca. 2.1 billion euros), of which 96 percent was provided in the form of grants.

THE BMZ SUPPORTS ITS PARTNER COUNTRIES

The **bulk of climate finance** from the BMZ's budgetary sources is **given directly to the partner countries.** The **adaptation activities** supported by the BMZ **are diverse:** They support local actors, such as smallholders, to adapt their livelihoods to climate impacts. They support the protection of water resources and coastal areas against rising sea levels, or cities to adapt their infrastructure through initiatives such as the C40 Cities Finance Facility (CFF).

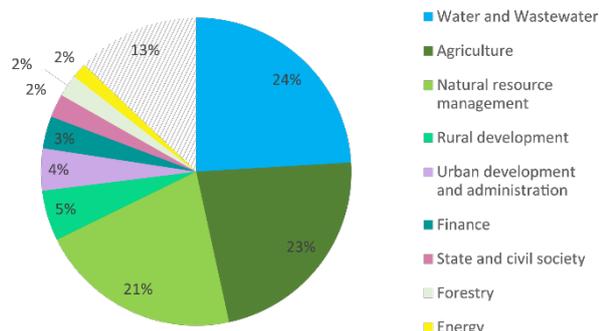


Figure 1: Sectoral distribution of the bilateral adaptation portfolio (official development cooperation by funding volume (2015-2019))

Between 2015 and 2019, **more than half of all bilateral adaptation finance** (from budgetary sources) was allocated to the **water, agriculture, and natural resource management** sectors (Fig.1). Africa receives the most focus with 31.5 per cent of adaptation funding (Fig. 2).

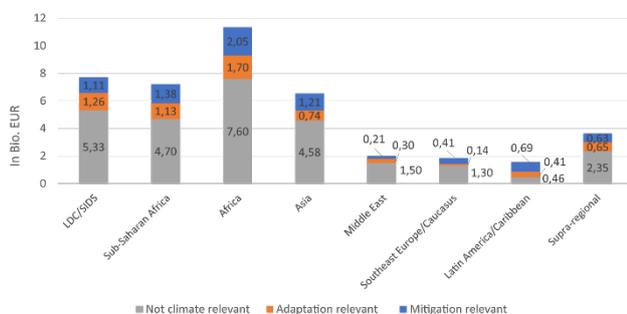


Fig. 2: Bilateral budgetary funds from official development cooperation by region in billions of euros (2015-2019)

Information and analyses are important for successful climate risk management. To obtain a database that is as comprehensive as possible, the BMZ is working with the scientific community, among others. Since 2018, the BMZ has been funding the **preparation of climate risk analyses and climate risk profiles for selected countries in sub-Saharan Africa** by the Potsdam Institute for Climate Impact Research (PIK). The analyses and profiles feed into the planning of adaptation strategies for agriculture – an important component to ensuring food security for a growing population.

GLOBAL COOPERATION

Together with international partners, the BMZ designs and promotes **important global partnerships** and initiatives in developing and emerging countries. These include cooperation with the **finance ministers of highly vulnerable countries** (The Vulnerable Twenty Group, V20) or the **Africa Adaptation Initiative** mandated by the African Union. In addition, Germany is a founding member of the global Coalition for Disaster Resilient Infrastructure (CDRI), which was launched by India and aims to design infrastructure that can withstand the impacts of climate change.

To support **adaptation planning** in developing countries, Germany is participating in the NAP (National Adaptation Plan) Global Network and is committed to **improving early warning systems** for the population in the least developed countries and island states. For this purpose, the BMZ supports the CREWS (Climate Risk and Early Warning Systems) initiative.

The establishment and strengthening of **climate risk financing and insurance** in developing countries is also important to Germany. The BMZ, therefore, supports the InsuResilience Global Partnership (IGP), which aims to insure half a billion poor and vulnerable people worldwide against climate and disaster risks by 2025.