

# International financing for climate change adaptation in small island developing states A POLICY BRIEF

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### **KEY IMPLICATIONS**

DONORS: Consider vulnerability
DONORS: Encourage transparency
RECIPIENT COUNTRIES: Improve governance

#### RESEARCH FINDINGS

International adaptation financing commitments to small island developing states (SIDS) are highly skewed and are likely leaving the most vulnerable SIDS unable to adequately adapt and build resilience to climate change. We found that:

- Good **governance**, larger populations, and lower per capita incomes are strong determinants of the financing levels being committed to recipient countries.
- Whether financing levels are determined by **vulnerability** depends on how 'vulnerability' is defined and measured. Different measures give different results.
- Policy-makers in SIDS are dissatisfied with the current financing levels and their experience with accessing it.

Commitment levels across donors and recipient SIDS between 2010 and 2014 were skewed:

- A few contributed the most: 5 donors (17%) made 73% of total commitments to SIDS.
- Australia was a major player: Australia made 48% of total commitments to Pacific SIDS.
- Some made no commitments: 4 donors (14%) made no commitments to SIDS.
- Globally, a few got the most:
  - 5 SIDS (10% of all SIDS considered) received 51% of total commitments.
  - 13 SIDS (26%) received no commitments.
- Regionally, many missed out:
  - 15 Caribbean SIDS (30%) received 41% of total commitments.
  - 15 Pacific SIDS (30%) received 36% of total commitments.
  - 7 Atlantic and Indian Oceans SIDS (14%) received 23% of total commitments.

#### **RESEARCH IMPLICATIONS**

- Implementing methodologies for international climate change financing that adequately consider vulnerabilities will help **donors** ensure that financing is allocated effectively, to those who need it the most.
- A peer review system which ensures that all donors pay their 'fair share' will assist **donors** to increase transparency in international financing allocations.
- The amount of international adaptation financing allocated to **recipient countries** is likely to increase if recipient countries improve their governance quality.

# **BACKGROUND**

The impacts of climate change are falling disproportionately on the world's smallest, flattest and most exposed nations – SIDS.

SIDS comprise 58 countries located across the Atlantic and Indian Oceans, Caribbean and Pacific regions that are particularly vulnerable to climate change and its impacts.

These impacts include sea-level rise and increased sea surface temperatures, which cause coral bleaching and changes in fish migration patterns. These impacts place pressures on livelihoods and wellbeing in SIDS communities.

Adapting to climate change, which is the process of adjustment to actual or expected climate and its effects, is urgent but is costly.

Owing to domestic resource challenges, SIDS actively pursue international adaptation financing in order to meet the additional costs of adaptation.

International financing is critical for adequate adaptation in SIDS. Yet, the 2016 Adaptation Finance Gap Report (United Nations Environment Programme) suggests that adaptation costs could be three times current estimates – up to US\$300 billion per year by 2030.

#### **ABOUT THE RESEARCH**

This policy brief is based on the following peer-reviewed article:

Robinson, S. & Dornan, M., 2016. 'International financing for climate change adaptation in small island developing states', Regional Environmental Change, <u>Available Online</u>, p. 1-13.

My colleague, Dr Matthew Dornan at The Australian National University, and I analysed adaptation financing commitments from Members of the Organisation for Economic Cooperation and Development to 50 SIDS between 2010 and 2014. We interviewed 65 senior national and regional climate change and finance officials in Caribbean and Pacific SIDS using semi-structured techniques.

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