



SUPPORTING ADAPTATION IN TRANSBOUNDARY BASINS: WHAT ABOUT FINANCE

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David Hebart-Coleman
Water Resources and Climate Change Expert
African Water Facility





Presentation Outline

- Challenges and Opportunities
- Expanding role of climate finance
- Financing Climate Change Adaptation in Transboundary Basins
- Bankability





Climate Change Adaptation: a cross-cutting priority

- Transboundary watersheds (including groundwater aquifers and surface waters) are a major feature globally. In Africa, cover approximately 80% of freshwater resources
- Most of the impacts of climate change are felt through the water cycle
- Climate change has, and will continue to, alter water resource availability and assumptions about water infrastructure and their vulnerability to climatic events
- Climate change alters both supply and demand patterns





Transboundary Challenges and Opportunities: RBO



Challenges

- Coordination of multiple stakeholders/countries
- Differing regulatory and institutional frameworks
- Public good benefits do not necessarily translate into direct revenue streams
- Criteria of funding institutions: primarily national rather than regional focus
- RBO legal status may affect ability to borrow/receive fund & implement
- RBO-generated projects as potential 'competition' for national projects

Opportunities

- Geographic scope aligns with geographic scope of climate impacts
- Better/basin-level climate information systems
- Coordination of measures for enhanced impact
- Mitigation of negative impacts, avoid maladaptation
- Resilience-building becomes benefit to all
- Strategic use of funding
- Public good benefits attract concessional finance
- Complement national efforts

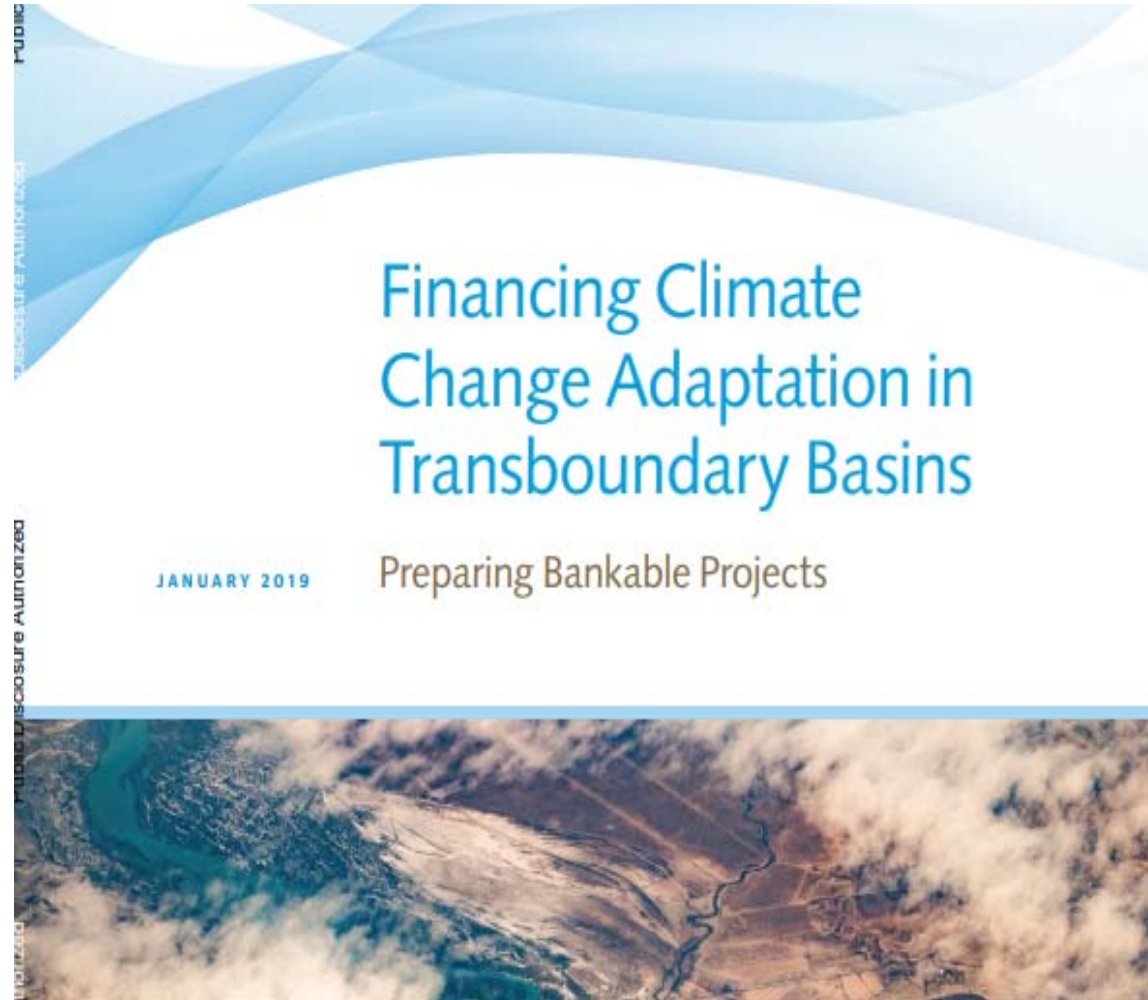




Lake / River Basin Organizations Key Roles

- Custodians of knowledge on basin-wide challenges and opportunities
- Coordination of new knowledge generation and dissemination
- Provides a platform for discussion amongst basin states that will enable parties to build trust
- Potential to prepare integrated strategies for basin wide or multi-national actions and facilitate agreement amongst basin states
- Potential to access climate and other forms of finance for basin-wide or transboundary activities
- However this is often difficult





<https://openknowledge.worldbank.org/handle/10986/31224>





Report Objective & Target Audience

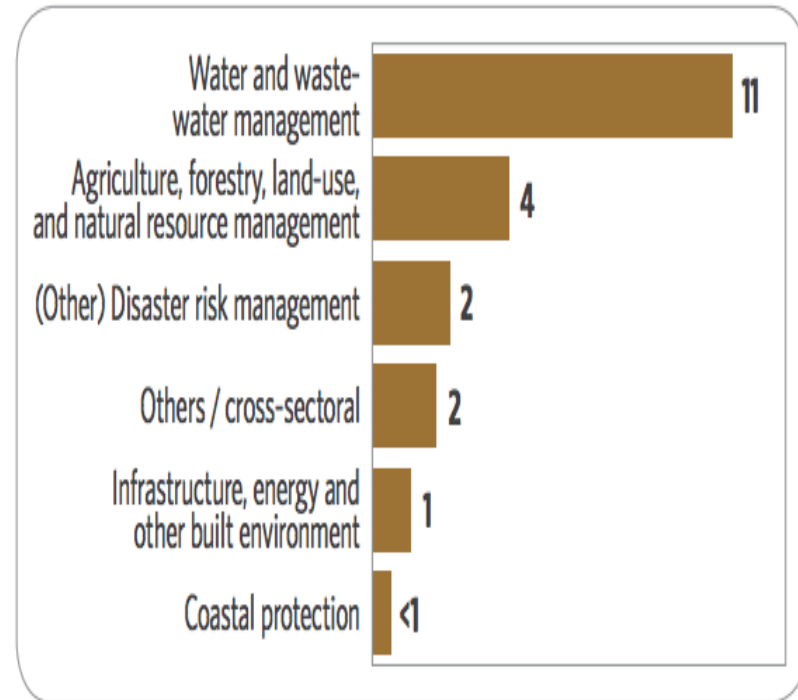
- Guide to climate financing landscape for adaptation financing
- Challenges and opportunities for RBOs
- Characteristics of “bankable” adaptation projects
- Finding financial resources in specific context & for specific program and project
- Preparing bankable projects in transboundary context
- For representatives of RBOs and riparian countries, development practitioners





Financing Sources

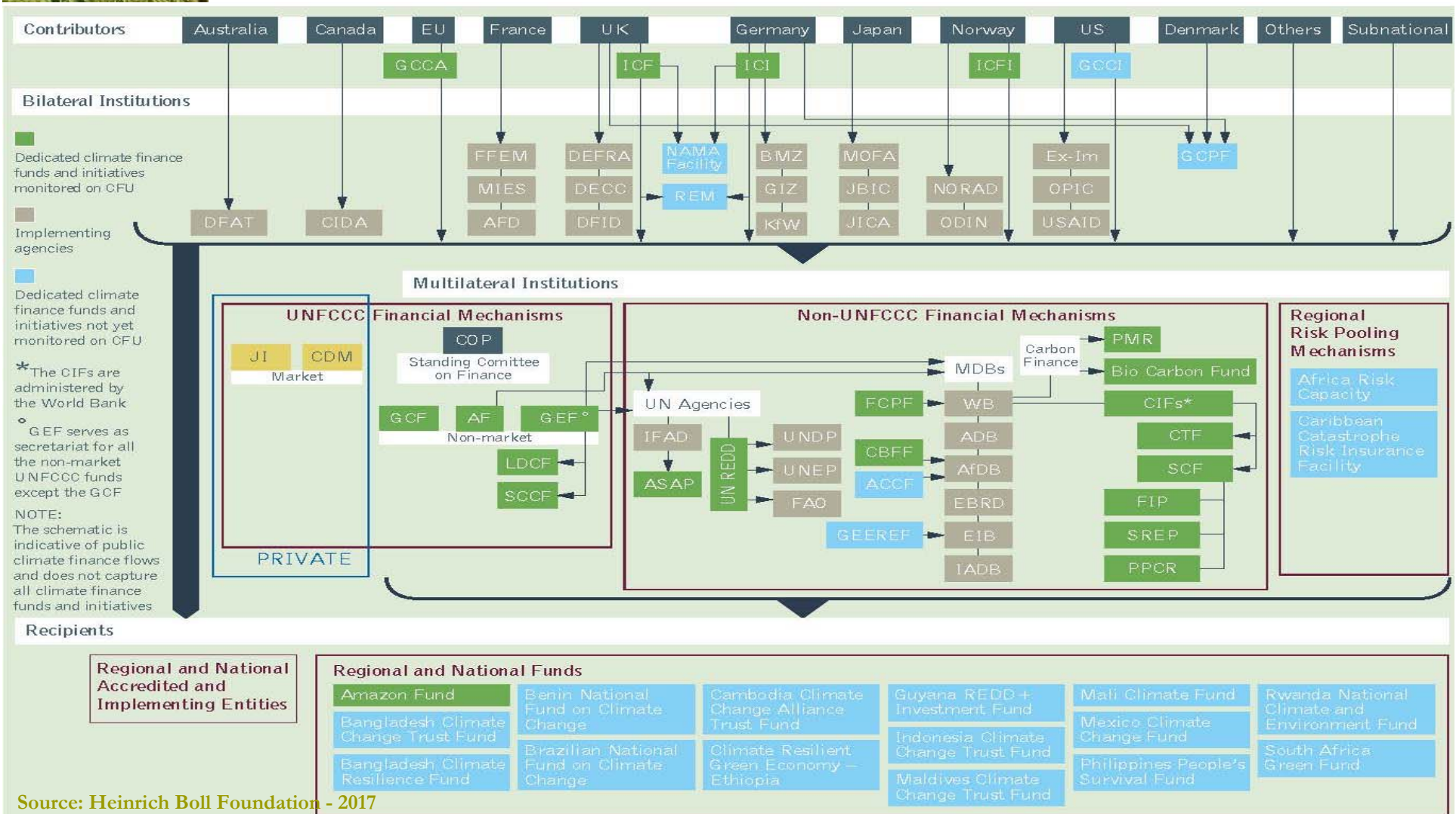
- Growing climate finance architecture (mitigation/adaptation)
- Adaptation financing USD 26 bln - 16% of overall climate finance in 2016
- Needs and demands far exceeding available finance



Average annual public investments in adaptation 2015/2016 (\$USbn)

Source: Climate Policy Institute, 2017.





Source: Heinrich Boll Foundation - 2017





Financing Sources (cont'd)

- Each fund, financier or donor has differing rules and procedures; different project cycles – be attuned
- Knowledge is critical to find efficient and cost-effective approaches that increase the impact and sustainability
- Involvement in decision-making and implementation by the financiers

GCF Strategic Impact Areas

Adaptation

Health, food and water security

Livelihoods of people and communities

Infrastructure and built environment

Ecosystems and ecosystem services

Mitigation

Energy generation and access

Transport

Forests and Land Use

Buildings, cities, industries and appliances





“Bankability”

- Tailoring of proposal to address funding procedures – highly competitive landscape
- Alignment with national and basin-level/regional strategies
- Identify, communicate, and address potential risks and mitigation
- Stress co-benefits
- Flexibility; e.g. clustering of projects when necessary in order to reduce transaction costs
- Innovate, advocate, and be flexible





Climate “Bankability”

- Identification of Climate vulnerabilities
- Demonstration of benefits of transboundary approach and how this influences the selection of projects/alternatives for better adaptation
- Adaptation specific design and scope
- Knowledge of climate financing landscape
- Relationship with financing partners





Conclusions/Reminders

- Climate finance is both complex and evolving landscape
- Transboundary challenges and opportunities especially in adaptation actions
- Role of RBOs as coordinator and integrator of actions across the watershed
- Knowledge of resources and relations with financiers critical
- Flexibility to adjust to financiers needs



Thank you for your attention!

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